



(This is a Disclosure Document prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 Issued vide CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 Dated October 12, 2012)

NHPC LIMITED

(A Government of India Enterprise)

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(The Company was incorporated on November 7, 1975 under the Companies Act, 1956 (the “Companies Act”) as a private limited company under the name ‘National Hydroelectric Power Corporation Private Limited’. The word ‘private’ was subsequently deleted on September 18, 1976. Our Company was converted into a public limited company with effect from April 2, 1986. The name of the company was changed to ‘NHPC Limited’ with effect from March 28, 2008.)

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF SECURED NON-CUMULATIVE NON CONVERTIBLE REDEEMABLE TAXABLE BONDS (R SERIES) IN THE NATURE OF DEBENTURES TO BE ISSUED IN THREE TRANCHES NAMLEY R1, R2 & R3.

R1 AT 8.70% of RS. 12.00 LAKHS EACH FOR CASH AT PAR AGGREGATING TO RS 54.00 CRORE WITH GREEN SHOE OPTION OF RS 36.00 CRORE.

R2 AT 8.85% of RS. 12.00 LAKHS EACH FOR CASH AT PAR AGGREGATING TO RS 300.00 CRORE WITH GREEN SHOE OPTION OF RS 108.00 CRORE.

R3 AT 8.78% of RS. 10.00 LAKHS EACH FOR CASH AT PAR AGGREGATING TO RS 646.00 CRORE WITH GREEN SHOE OPTION OF RS 356.00 CRORE.

ISSUE OPENS: JANUARY 30th, 2013 at 10.00 HRS

ISSUE CLOSES: JANUARY 31st, 2013 at 15.00 HRS

LISTING

The Bonds are proposed to be listed on WDM Segment of National Stock Exchange.

TRUSTEES FOR THE BONDHOLDERS

**SBICAP Trustee Company Ltd
8, Khetan Bhavan,
5th Floor , 198 , J.Tata Road
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REGISTRAR TO THE ISSUE

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Fax No. 91-120-2444 346
E-mail: shares@rcmcdelhi.com**



ARRANGERS TO THE ISSUE

Sl. No.	Name of Merchant Banker / Arranger	Sl. No.	Name of Merchant Banker / Arranger
1	AXIS Bank Ltd.	9	Kotak Mahindra Capital Company Ltd.
2	ICICI Bank Ltd.	10	HDFC Bank Ltd.
3	IDFC Ltd.	11	Yes Bank Ltd.
4	LKP Securities Ltd.	12	SPA Capital Advisors Ltd.
5	SBICAP Market Ltd.	13	Trust Investment Advisors Pvt. Ltd.
6	Darashaw & Company Pvt. Ltd.	14	A K Capital Services Ltd.
7	Edelweiss Financial Services Ltd.	15	I Sec PD Ltd.
8	Almondz Global Securities Ltd.		

This taxable bond issue is being made on a private placement basis. It is not and should not be deemed to constitute an offer to the public in general. It cannot be accepted by any person other than to whom it has been specifically addressed.

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NHPC does not undertake to update this Disclosure Document for Private Placement to reflect subsequent events and thus it should not be relied upon without first confirming the accuracy of such events with NHPC.



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I. Definition / Abbreviations

Issuer Related Terms

Term	Description
Articles of Association or Articles	The articles of association of the Company, as amended from time to time
Auditors	The Joint Statutory Auditors of the Company are 1. M/s S. N. Nanda & Co., New Delhi 2. M/s Baweja & Kaul, Jammu Tawi / New Delhi 3. M/s Singhi & Co., Kolkata 4. M/s Tiwari & Associates, New Delhi
Board or Board of Directors	The Board of Directors of the Company
Directors	The Directors of the Company
Memorandum of Association or Memorandum	The memorandum of association of the Company, as amended from time to time
Promoter	The President of India, acting through the Ministry of Power, Government of India
Registered Office	The registered office of the Company, which, as at the date of this Disclosure Document, is located at NHPC Office Complex, Sector - 33, Faridabad 121 003, Haryana, India

Conventional and General Terms

Term	Description
Act or Companies Act	The Companies Act, 1956
BSE	The Bombay Stock Exchange Limited
CAD	Canadian Dollar
CDSL	Central Depository Services (India) Limited
Crore	10 million
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EGM	Extraordinary general meeting of the shareholders of our Company
EPS	Earnings per share, i.e., profit after tax for a Fiscal year divided by the weighted average number of equity shares during the Fiscal year
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year
GoI	Government of India
HUF	Hindu Undivided Family
JPY	Japanese Yen
LIC	Life Insurance Corporation of India



<u>Term</u>	<u>Description</u>
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
NEFT	National Electronic Fund Transfer
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
O&M	Operation and Maintenance
PAN	Permanent Account Number allotted under the I.T. Act
PTC	PTC India Limited
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, NCT of Delhi and Haryana
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000
Supreme Court	Supreme Court of India
US\$ or USD or US Dollar	U.S Dollar
w.e.f	With effect from

Technical and Industry-Related Terms

<u>Term</u>	<u>Description</u>
AFC	Annual Fixed Cost
Bonds	Secured Non Cumulative Non Convertible Redeemable Taxable Bonds (R Series) in the nature of Debentures to be issued in Three Tranches Namely R1at 8.70%, R2 at 8.85% & R3 at 8.78%.
Bondholder / Debenture holder	The holder of bonds
BRRP/BREW	Bihar Rural Road Projects/Bihar Rural Electrification Works
CCEA	Cabinet Committee on Economic Affairs
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPSU	Central Public Sector Undertaking
CWC	Central Water Commission
Design energy	The quantum of energy which could be generated in a 90% dependable year with 95% installed capacity of the generating station
Deemed Date of Allotment	Date as specified in summary Term Sheet
Disclosure Document	Disclosure Document dated Jan 24 th , 2013 for Private Placement of Secured Non Cumulative Non Convertible Redeemable Taxable Bonds (R Series) in the nature of Debentures to be issued in Three Tranches Namely R1at 8.70%, R2 at 8.85% & R3 at 8.78%.
DPE	Department of Public Enterprises



<u>Term</u>	<u>Description</u>
DPR	Detailed Project Report
DRR	Debenture Redemption Reserve
Issuer/NHPC/Corporation /Company	NHPC Ltd.
MoEF	Ministry of Environment and Forest, Government of India
MU	Million Units
MW	Mega Watt
PFC	Power Finance Corporation Limited
PGCIL	Power Grid Corporation of India Limited
PPA	Power Purchase Agreement
REC	Rural Electrification Corporation Limited
Registrar	Registrar to the issue, in this case
RoR	Run-of-the-river
SCADA	Supervisor Control and Data Acquisition
SEB(s)	State Electricity Board(s) and their successor(s), if any, including those formed pursuant to restructuring/unbundling
SERC	State Electricity Regulatory Commission
The issue/The offer/Private Placement	Private Placement of Secured Non Cumulative Non Convertible Redeemable Taxable Bonds (R Series) in the nature of Debentures to be issued in Three Tranches Namely R1 at 8.70%, R2 at 8.85% & R3 at 8.78%.
THDC	Tehri Hydro Development Corporation Limited
Tripartite Agreements	Tripartite Agreements executed among the GoI, RBI and the respective State governments
Unit	1 KWh, i.e. the energy contained in a current of one thousand amperes flowing under an electromotive force of one volt during one hour



AUTHORITY TO THE ISSUE

The present issue of bonds is being made pursuant to the resolutions passed under Section 293(1)(a) & 293(1)(d) of the Companies Act, 1956 by the Members of the Company where the overall borrowing limit of NHPC was approved at Rs. 26,000 crore w.e.f. 15th September, 2004. It is in line of the resolutions passed by Board of Directors of NHPC in 355th meeting held on 05.01.2013. The proposed borrowing is within the overall borrowing limits of NHPC.

DISCLAIMERS

GENERAL DISCLAIMER

The Disclosure Document is neither a Prospectus nor a Statement in lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 issued vide Circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 Issued vide CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 Dated October 12, 2012). This document does not constitute an offer to the public generally or subscribe for or otherwise acquire the bonds to be issued by NHPC Ltd. (the “issuer”/the NHPC/ “the company”) The document is for the exclusive use of institutions to whom it is delivered and it should not be circulated or distributed to the third parties. The Company certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with Securities & Exchange Board of India (SEBI). The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Bonds being made on private placement basis, filing of this document is not required with SEBI, however SEBI reserves the right to take up at any point of time, with the Company, any irregularities or lapses in this document.

DISCLAIMER OF THE ISSUER

The Issuer confirms that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Company has been made available in this Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Company accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.



DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Disclosure Document has been submitted to the National Stock Exchange of India Ltd. (hereinafter referred to as “NSE”) for hosting the same on its website. It is to be distinctly understood that such submission of the document with NSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer’s securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER BY THE ARRANGERS

It is advised that the NHPC has exercised self due- diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arrangers in the assignment is confined to marketing and placement of the bonds on the basis of this Disclosure Document as prescribed by the NHPC. The Arrangers have neither scrutinized/vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arrangers shall use this document for the purpose of soliciting subscription from the various investors in the bonds to be issued by the NHPC on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arrangers should not in any way be deemed or construed that the document has been prepared, cleared, approved, or vetted by the Arrangers, nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the NHPC. The Arrangers or any of its directors, employees affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.



A. ISSUER INFORMATION

a. Name and address of the following:

i. Registered Office of the Issuer

NHPC Ltd.
NHPC Office Complex,
Sector - 33, Faridabad - 121 003,
Haryana, India

ii. Corporate Office of the Issuer

NHPC Office Complex,
Sector - 33, Faridabad - 121 003,
Haryana, India

iii. Compliance Officer of the Issuer

Vijay Gupta
Company Secretary,
NHPC Office Complex,
Sector - 33, Faridabad - 121 003,
Haryana, India
Tel: +91 129 227 8421
Fax: +91 129 227 8018
E-mail: companysecretary@nhpc.nic.in, nhpcbondsection@gmail.com,

iv. CFO of the Issuer

A.B.L. Srivastava,
Director (Finance),
NHPC Office Complex,
Sector - 33, Faridabad, PIN - 121 003,
Haryana, India
Tel: +91 129 227 8021
Fax: +91 129 227 8025
Email: dir-fin@nhpc.nic.in

v. Arrangers of the instrument

Sl. No.	Name of Merchant Banker / Arranger	Sl. No.	Name of Merchant Banker / Arranger
1	AXIS Bank Ltd.	9	Kotak Mahindra Capital Company Ltd.
2	ICICI Bank Ltd.	10	HDFC Bank Ltd.
3	IDFC Ltd.	11	Yes Bank Ltd.



4	LKP Securities Ltd .	12	SPA Capital Advisors Ltd.
5	SBICAP Market Ltd.	13	Trust Investment Advisors Pvt. Ltd.
6	Darashaw & Company Pvt. Ltd.	14	A K Capital Services Ltd.
7	Edelweiss Financial Services Ltd.	15	I Sec PD Ltd.
8	Almondz Global Securities Ltd.		

vi. Trustee of the Issue

SBICAP Trustee Company Ltd

8, Khetan Bhavan,
5th Floor , 198 , J.Tata Road
Churchgate,
Mumbai 400202
Tel 022 43025555, Fax 02243025500

vii Registrar of the Issue

M/s RCMC Share Registry Pvt. Ltd.,
Ground Floor, B-106, Sector-2, Noida-201 301 (UP)
Tel: +91 120 4015 800, 4015 882
Fax: +91 120 2444 346
Email: shares@rcmcdelhi.com, rakesh@rcmcdelhi.com

viii Credit Rating Agencies of the Issue

- a) India Ratings & Research Pvt Ltd (A FitchGroup Company)
Wockhardt Tower Level 4
West Wing Bandra Kurla Complex (E)
Mumbai 400051
- b) ICRA Limited,
Building No. 8, 2nd Floor,
Tower A, DLF Cyber City, Phase-II,
Gurgaon – 122 002, India

ix Auditors of the Issuer

The Joint Statutory Auditors of the Company are:

- a) M/s S. N. Nanda & Co., New Delhi,
Chartered Accountants,
C-43, Pamposh Enclave,
Greater Kailash – I,
New Delhi – 110 048
- b) M/s Baweja & Kaul,



Chartered Accountants,
House No. 32, Sector-8,
Trikuta Nagar, Jammu,
Jammu & Kashmir – 180 012

c) M/s Singhi & Co.,
Chartered Accountants,
1-B, Old Post Office Street,
Kolkata – 700 001,
West Bengal

d) M/s Tiwari & Associates,
Chartered Accountants,
T-8, Green Park Extension,
New Delhi – 110 016

A brief summary of the business / activities of the Issuer and its line of business containing the following information:

i Overview

We are a Mini Ratna power generating company through conventional & non conventional sources. We are dedicated to the planning, development and implementation of an integrated and efficient network of power projects in India. We execute all aspects of the development of conventional & Non conventional sources, from concept to commissioning.

Our Total Installed Capacity is 5559 MW. We have commissioned 15 hydroelectric power stations completely and one Chutak H.E. Project of 44 MW (4 x 11) partially (Three units of 33 MW out of four units of this project have been commissioned in Nov'12). Our current total generating capacity after taking into account the downgrade of capacity ratings of Tanakpur Power Station is 5533.2 MW. Total installed capacity and total generating capacity includes two power stations with a combined capacity of 1,520 MW, constructed and operated through our Subsidiary, NHDC. Our power stations and hydroelectric projects are located predominantly in the North and North Eastern states of India in the states of Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Arunachal Pradesh, Assam, Manipur, Sikkim and West Bengal. Our Company and our Subsidiary company generated 18,683 MUs and 4,664 MUs of electricity, respectively, in Fiscal 2012. In Fiscal 2012, our Company and our Subsidiary sold 16,357 MUs and 4640 MUs of electricity, respectively.

We are presently engaged in the construction of 9 hydroelectric projects (including Chutak H.E. Project), which will increase our total installed capacity to 9797 MW. We are awaiting government sanction for a further five projects with an anticipated capacity of 5,115 MW. In addition, we are awaiting government sanction for certain joint venture projects with an anticipated capacity of 3,686 MW. Survey and investigation works are



being carried out to prepare project proposal reports for seven additional projects, totaling 2,485 MW of anticipated capacity.

We selectively form alliances with state governments to undertake project development. Pursuant to MoU with the government of Madhya Pradesh, we incorporated our Subsidiary on August 1, 2000 to take advantage of the hydroelectric potential of the Narmada river basin. The Company has been actively pursuing business development and has entered into various agreements for expanding its business portfolio. NHPC is keen to harness the hydropower potential in the states through joint venture. The company has been actively pursuing business development and has entered into various arrangements for expanding the business portfolio. Five projects, totaling 3686 MW are to be implemented as Joint Ventures, Loktak Downstream Hydroelectric Corporation Limited, A Joint Venture Company, has been incorporated for executing the 66 MW Loktak Downstream Project in Manipur with 74% shareholding by NHPC and 26% by the Government of Manipur. Another Joint Venture Company, Chenab Valley Power Projects (Pvt) Ltd., has been formed in which NHPC, JKSPDC and PTC are partners in 49:49:2 basis for taking up three projects totaling 2,120 MW in the Chenab River basin in Jammu and Kashmir. The Promoters' Agreement for implementation of Tipaimukh HE (Multipurpose) Project (1500 MW) in Manipur has been signed on 22.10.2011 with shareholding of NHPC, SJVNL & Govt. of Manipur being 69%, 26% & 5% respectively. MoP vide order dt.10.12.2012 replaced SJVNL and induct NEEPCO for the 26% of shareholding. Process of formation of the Joint Venture Company is underway. NHPC has signed one more MOU for a joint venture with OHPC and the Government of Orissa.

We have experience in the design, development, construction and operation of hydroelectric projects. We execute and manage all aspects of projects, from front-end engineering design to commissioning and operation and maintenance of the project. We have also been engaged as a project developer for certain projects, where our scope of work is to design, develop and deliver a hydroelectric power station to a client on an agency basis. We also provide contract-based technical, management advisory and consultancy services to domestic and international clients.

Based on our audited financial statements, in Fiscals 2010, 2011 and 2012, we generated total income of Rs. 4,892.02 crores, Rs. 4,932.11 crores and Rs. 6784.27 Crore respectively, and net profit of Rs.2,090.50 crores, Rs. 2,166.67 crores and Rs. 2771.77 crore respectively. In Fiscal 2012, our average selling price of electricity was Rs. 2.98 per unit (after adjustment of components of earlier year sales). In Fiscal 2012, we derived Rs. 5, 509.65 crore or 81.21% of our audited total income from the sale of energy to SEBs and their successor entities, pursuant to long term power purchase agreements. In Fiscal 2013, based on Unaudited Financial Statements up to 30.09.2012, the total income was Rs.3679.91 crores and the net profit for the period was Rs.1, 453.19 crores. In this period, we derived Rs. 3099.85 crores or 84.23% of our total income from sale of energy.

Our operational efficiency has been reflected through high average capacity indices for our power stations, which are now currently measured by the Plant Availability Factor (PAF). The average capacity indices for our Company for Fiscals 2010, 2011 and 2012 were 84.10%, 85.20% and 83.30% respectively. For Fiscal 2013, the cumulative Plant



Availability Factor (PAF) up to 31.12.2012 was 89.10%. These indices are higher than the cumulative capacity index levels, which are required under CERC regulations and our higher efficiency parameters, with pursuant to the tariff policy in place for Fiscal 2009-Fiscal 2014 entitled us to certain incentive payments.

We have obtained BS OHSAS 18001:2007, ISO 9001:2008, ISO 14001:2004 and PAS 99: 2006 certifications from the BSI Management Systems, all of which are valid until July 25, 2014.

In recognition of our performance and our consistent achievement of targets as negotiated under the MoUs that we enter into with the GoI on an annual basis, the GoI has rated our performance as “Excellent” from Fiscal 1995 through to Fiscal 2006, “Very Good” in Fiscal 2007, “Excellent” in Fiscal 2008, “Very Good” in Fiscal 2009, 2010, 2011 & 2012. Also, in recognition of our performance, we were designated as a Mini-Ratna Category-I public sector undertaking in April 2008. As a Mini-Ratna Category-I entity, we will have greater autonomy to undertake new projects without GoI approval, subject to an investment ceiling of Rs. 500 crore set by the GoI.

The President of India, and its nominees, before the Initial Public Offer held 100% of the issued and paid-up Equity Share capital of our Company. After the Issue, the President of India still holds 86.36% of the post-Issue paid-up Equity Share capital of our Company. Under our Articles of Association, the GoI has the power to appoint all of our Directors.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

Established track record in implementing hydroelectric projects

We have experience in the development and execution of hydroelectric projects. We have managed the development and implementation of 15 hydroelectric projects, including two through our Subsidiary, NHDC. We have completed projects that are located in the geotechnically sensitive Himalayan terrain and in inhospitable areas that are often difficult to access. We completed the Chamera-II and Dhauliganga-I power stations and the Indira Sagar and Omkareshwar projects ahead of schedule. We have worked with the GoI, various state governments, foreign governments and international companies to complete projects. We believe our proven execution capability is a key advantage for securing projects. We also believe that our execution model for projects benefits from our cost control and risk management expertise and that our experience and expertise in project implementation provide us with significant competitive advantages.

Long term power purchase agreements with our customers

Most of the output from our installed capacity is contracted for through long term PPAs. At the time we make investment decisions on new capacity or expansion of existing capacity, we typically have commitments for the purchase of the output.



In Fiscal 2012, we derived Rs. 5509.65 Crore or 81.21% of our total income from the sale of energy to SEBs and their successor entities, pursuant to long term power purchase agreements. These billings to state entities are currently secured through letters of credit generally entered into pursuant to tripartite agreements among the GoI, the RBI and respective state governments. In addition, we can secure payment by regulating the power supply to the defaulting entity or recovering payments directly from GoI Central Plan assistance funds that are given to the concerned state governments.

Strong operating performance

We measure our Power Station's efficiency in terms of Plant Availability Factor (PAF) (2009 onwards) and Generation achieved. PAF and Generation achieved is compared to Normative Annual PAF (NAPAF) and Design Energy (D.E.) of Power Station respectively.

In FY 2012-13 (up to 31.12.2012), our Company (excluding generation from subsidiaries) has achieved actual Generation of 16422 MU and the Cumulative PAF of 89.1% . Both the parameters are well above the normative values (up to 31.12.2012) as fixed by CERC. As such company is entitled for incentive as per CERC regulation.

We do conditioning monitoring of our plant equipments regularly for their preventive maintenance including required modernizations which increases the efficiency of our plants and equipment. We believe that our ongoing monitoring and maintenance techniques offer us a competitive advantage in an industry where reliability and maintenance costs are a significant determinant of profitability.

Competent and committed workforce

We have a competent and committed workforce. Our senior executives have experience in our industry and many of them have been with us for a significant portion of their careers. We believe that the skill, industry knowledge and operating experience of our senior executives provide us with a competitive advantage as we seek to expand in our existing markets and successfully enter new geographic areas. We invest significant resources in employee training and development and our uniform operational systems, processes and staff training procedures enables us to replicate our operating standards across all our projects and stations.

Strong in-house design and engineering team

We have an in-house team for project design and our engineering capabilities range from the concept stage to the commissioning of our projects. This team is supported by international and domestic project consultants. Our Company has in-house engineers with expertise in a range of engineering disciplines, particularly hydrology, electrical, civil and structural design, hydro-mechanical and geotechnical design. Our engineers have specialized tunnel design experience and are able to design for variable and unpredictable geological conditions. Our engineers also have experience with a variety of specialized analysis, design and computer aided design software applications.



Our Strategy

Our corporate vision is to become a world class, diversified and transnational organisation dedicated to sustainable development of power through conventional and non conventional sources with an environmental conscience. The following are our strategies to achieve this vision:

Expand our installed capacity through Joint Ventures and MoUs

We seek to expand our installed capacity by tapping into new geographic markets where there is significant demand for capacity expansion through hydroelectric generation. Presently we are engaged in the construction of 9 hydroelectric projects in the states of Jammu & Kashmir, Himachal Pradesh, Arunachal Pradesh, Assam and West Bengal, which is expected to increase our total installed capacity by 4,238 MW. We are awaiting government sanction for a further five projects with an anticipated capacity of 5,115 MW. In addition, we are awaiting government sanction for certain joint venture projects with an anticipated capacity of 3,686 MW. Survey and investigation works are being carried out to prepare project proposal reports for seven additional projects, totaling 2,485 MW of anticipated capacity.

We are also prospecting for thermal power projects through the joint ventures route in the states of Bihar, Chattisgarh and Andhra Pradesh as well as diversifying our portfolio by entering in to wind energy as well a solar energy projects.

Promote and develop our consulting and advisory services

NHPC is providing consultancy services in the following fields of hydro power – river basin services, survey work, design and engineering, geological and geotechnical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing, commissioning and operation and maintenance.

The major consultancy assignments undertaken by NHPC include assignments from Central and State Government agencies like State Electricity Boards and Public Sector Undertakings.

We aim to continue to deliver advisory services to clients and government entities in India and abroad. Our consultancy services are registered with the international financial agencies and the Central Water Commission as a Consultant in the area of hydro power.

Continue to expand our international activities

We intend to continue to expand our international operations and further exploit the potential hydropower opportunities available internationally by leveraging our existing relationships developed through our past international consultancy assignments.



NHPC was entrusted with the work of preparing DPRs of Chamkharchhu-I H.E. Project (770 MW) and PFR of Kuri Gongri H.E. Projects in Bhutan by the Ministry of Power. We have submitted the DPR & PFR of both the projects.

In March 2010, an agreement was signed between NHPC and the Department of Energy, Royal Government of Bhutan for providing engineering consultancy services for pre-construction activities at the Mangdechhu H.E. Project (720 MW) in Bhutan which has been completed successfully. Further, NHPC has been engaged as the Design & Engineering Consultant for the execution of Mangdechhu H.E. Project.

NHPC has undertaken the additional investigations and preparation of updated DPRs for the 1200 MW Tamanthi and the 642 MW Shwezaye hydro power and multipurpose projects in Myanmar, as a consultancy assignment with the Ministry of External Affairs (MEA), Government of India. Updated DPR of these projects has been submitted.

NHPC has also been assigned the work of RMU of Varzob-I H.E. Project in Tajakistan under a tripartite agreement signed between MEA, BHEL & NHPC. NHPC has completed it successfully.

Maintain our focus in environmental and corporate social responsibility

We have undertaken a number of environmental and corporate social responsibility initiatives and intend to expand our involvement in these areas. We aim to conduct our business operations in a manner that promotes social responsibility, sustainable development and respect towards the environment.

Invest in technology to modernize our operations and improve our project operating performance

We intend to reduce our operating costs and improve our project-operating performance by investing in technologically advanced equipment and methods and by devoting resources to modernize our power stations.

Our Operations by Segment

Our core business is the generation and sale of hydroelectricity. We also provide contract-based services including technical, management advisory and consultancy services as well as project execution on contract basis. The table below shows our total restated income by business segment:

Total income by business segment (Standalone)

(Rs. in Crore)

Power Stations	Fiscal 2013 (Up to 30.09.2012)	Fiscal 2012	Fiscal 2011	Fiscal 2010
Sales (Net)	3099.85	5509.65	4046.59	4153.21
Revenue from Contracts, Project Management and Consultancy Works	97.04	145.04	178.66	113.08



Interest on Power Bonds	47.84	113.41	137.35	161.31
Other Income	435.18	947.31	542.88	384.42
Total	3679.91	6715.41	4905.48	4812.02

Our Hydropower Generation Business

Our core business operations involve the generation and sale of hydroelectricity. Our projects are spread across different stages of development from the early stages of survey and investigation to operation and maintenance.

Our Project Development Process

The GoI and the state government identify the geographic areas where additional electricity is needed by determining existing and projected installed capacity and projected demand for electricity. Factors such as economic growth, population growth and industrial expansion are used to determine projected demand. To gauge the expected supply of electricity, the capacities of the existing power stations and the projects under construction or development are studied. If the GoI and the respective state government agree that a hydroelectric project is necessary and that we are the most appropriate organization to develop the hydroelectric project, we then enter into an MoU or agreement with the concerned state government where the hydroelectric project is proposed to be located. We then begin the process of obtaining the necessary authorisations for the hydroelectric project from the concerned authorities. As per Govt. of India three stage Clearances process for the hydro projects developments are as under :

Stage-I: Preparation of Pre-Feasibility Report/Feasibility Report

Stage-II: During this stage Detailed Project Report and EIA/EMP report submitted for obtaining various clearances from the concerned Ministry/agency.

Stage-III: Final sanction and project construction

The hydroelectric project proposal is presented to the CCEA for its final sanction. After receiving the sanction of the CCEA, Major works related to construction of the project are awarded and construction can begin at the project site.

Completed Projects

We have set forth below the details of all our completed projects, including joint venture project:

(Rs. in crore)



Power Station	State	Installed Capacity (MW)	Year of Commissioning	Revenue Generated in Fiscal 2012 from Sale of Power (Rs. in Crore)
Baira Siul	Himachal Pradesh	180	1981	130.79
Loktak	Manipur	105	1983	102.74
Salal	Jammu & Kashmir	690	1987/1996	679.20
Tanakpur (1)	Uttarakhand	120	1992	110.40
Chamera I	Himachal Pradesh	540	1994	404.22
Uri I	Jammu & Kashmir	480	1997	703.44
Rangit	Sikkim	60	1999	86.42
Chamera II	Himachal Pradesh	300	2004	499.31
Dhauliganga	Uttarakhand	280	2005	377.52
Dulhasti	Jammu & Kashmir	390	2007	1525.16
Teesta V	Sikkim	510	2008	626.91
Sewa II	Jammu & Kashmir	120	2010	216.39
Total		3,775		5462.50
Add : AAD				47.15
Total Sales				5509.65
Completed Projects with NHDC				
Indira Sagar	Madhya Pradesh	1,000	2005	688.90
Omkareshwar	Madhya Pradesh	520	2007	595.77
Total		1,520		1284.67
Grand Total		5,295		6747.17

(1) Derating of 94.2 MW from September 1996 vide CEA letter no. DMLF/PS/9/7/96-Vol IV/3530-85

(2) In addition to above, we have commissioned Chamera-III (231 MW) and Chutak Project (33 MW) (partial) in fiscal 2013.

Projects under construction

We have set forth below the details of all our hydroelectric projects, which are currently under construction:

Ongoing Projects & States	Installed Capacity (MW)	Price Level	CCEA Approved Cost (Rs. in crore)	Price Level	Anticipated Cost (Rs. in Crore)
Chutak (J&K)	44*	Dec'05	621.26	Jul'10	893.77
Nimoo Bazgo (J&K)	45	Dec'05	611.01	Mar'11	936.1
Teesta Low Dam III (W.B.)	132	Dec'02	768.92	Jul'10	1628.39
Uri II (J&K)	240	Feb'05	1,724.79	Sep'11	2080.82
Parbati III (H.P.)	520	May'05	2,304.56	May'05	2304.56



Teesta Low Dam IV (W.B.)	160	Mar'05	1,061.38	Jul'10	1501.75
Parbati II (H.P.)	800	Dec'01	3,919.59	Aug'11	5365.7
Subansiri Lower (Ar.Pradesh/ Assam)	2000	Dec'02	6,285.33	Dec'10	10779.36
Kishanganga (J&K)	330	Dec'09	3,642.04	Dec'09	3642.04
Total	4271		22,344.51		29,132.49

- Three units of 33 MW have been Commissioned w.e.f. 29.11.2012

Projects Awaiting Clearances

The hydroelectric projects including our joint venture projects detailed below are awaiting final sanction from the CCEA:

Projects	State	Proposed Installed Capacity (MW)
Kotli Bhel Stage IA(1)	Uttarakhand	195
Dibang(2)	Arunachal Pradesh	3,000
Teesta IV	Sikkim	520
Tawang I	Arunachal Pradesh	600
Tawang II	Arunachal Pradesh	800
Total (A)		5,115
Joint Venture Projects		
Loktak Downstream	Manipur	66
Pakal Dul and other hydroelectric projects in the Chenab River Basin(3)	Jammu & Kashmir	2,120
Tapaimukh	Manipur	1,500
Total (B)		3,686
Grand Total (A + B)		8,801

- 1) MOEF vide letter dated 13.10.2011 accorded Stage I Forest Clearance. CEA has extended the validity of concurrence till 02.10.2014. Updated draft Material for PIB recommendation for investment sanction of Kotli Behl -1A has been sent to MOP. PIB/CCEA is under process .
- 2) Public hearing of the project are pending with Arunachal Pradesh State Pollution Control Board (APSPCB) . NHPC is pursuing the Matter vigorously with APSPCB for conducting the public hearings at the earliest.
- 3) All Statutory clearances including MOEF Clearances are available and have been transferred to JV.

Projects under Survey and Investigation

The following hydroelectric projects are under survey and investigation for preparation of DPR:



Project	State	Proposed Installed Capacity (MW)
Karmoli Lumti Tulli	Uttarakhand	55
Garba Tawaghat	Uttarakhand	630
Chungar Chal	Uttarakhand	240
Lachen	Sikkim	210
Bursar	Jammu & Kashmir	1,020
Dhauliganga Intermediate*	Uttarakhand	210
Goriganga IIIA*	Uttarakhand	120
Total		2,485

*: Implementation Agreement between NHPC and Govt. of Uttarakhand for two projects namely Dhauliganga Intermediate (210 MW) and Goriganga IIIA (120 MW) in Uttarakhand is under process.

Contracts, Project Management and Consultancy Works Business

We believe that our industry leadership as well as quality credentials puts us in a strong position to offer a wide range of consultancy services in the field of hydropower. Our consultancy services division was set up in 1993 to offer consulting and contractual services to meet requirements for different project types.

We aim to continue to deliver advisory services to clients and government entities in India and abroad. Our consultancy services are registered with the international financial agencies and the Central Water Commission as a Consultant in the area of hydro power.

Our clients include central and state government agencies in India including SEBs and PSUs, as well as a number of foreign governments and private sector entities. From a marketing perspective, consultancy contracts also allow us to establish a relationship with potential future clients and, in the case of project feasibility studies, to become involved at an early stage in turnkey projects for which we may later submit bids.

Consulting/Advisory Services for Hydropower Projects

NHPC is providing consultancy services in the following fields of hydro power – river basin services, survey work, design and engineering, geological and geotechnical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing, commissioning and operation and maintenance.

We also provide specialist consultancy services in relation to training and human resource development.

Turnkey Agency Contracts



We have undertaken certain international agency contracts under the direction of GoI. These projects are undertaken in the spirit of cooperation with foreign governments and also to broaden our international experience. The status of various turnkey agency projects undertaken by our consultancy services division is set out below:

Project	Country/State/Union Territory	Installed/ Proposed Total Capacity (MW)	Status
Devighat	Nepal	14.10	Commissioned
Kurichhu	Bhutan	60.00	Commissioned
Kalpong	India (Andaman & Nicobar Islands)	5.25	Commissioned
Sippi	India (Arunachal Pradesh)	4.00	Commissioned
Kambang	India (Arunachal Pradesh)	6.00	Commissioned
Total		89.35	

Specialized Government Agency Works

We act as an agency for the implementation of rural road development and rural electrification programs in India. These projects are usually undertaken on the request of the GoI for social welfare and development purposes. We earn fixed agency fees from these projects, as determined mutually by GoI and our Company.

Specialized government agency works we undertake include:

Client	Services Rendered
REC Limited	<p>We implement rural electrification works under the Rajiv Gandhi Grameen Viduytikaran Yojna (RGGVY) in various states in India for fixed agency fees of 9-12% on the cost of the project. We have been allocated 27 districts in five states of West Bengal, Bihar, Jammu & Kashmir, Chhatisgarh and Odisha at an estimated cost of Rs. 2800 crores.</p> <p>The Revised scope of work includes electrification of 29249 villages (9310 unelectrified / de-electrified (UE/DE) and 19939 partially electrified (PE) villages) and providing service connections to 20.74 lakhs. BPL households. NHPC is also executing 66 KV transmission line in the Leh and Kargil districts of Jammu and Kashmir under RGGVY.</p> <p>As on 31.12.2012, the cumulative achievements for UE/DE villages, PE villages and BPL connections was 9115, 17589 and 18.31 lakhs respectively.</p>
Ministry of Rural Development, GoI	<p>NHPC has signed a MOU with the Ministry of Rural Development, Government of India and the Government of Bihar for constructing rural roads under the Pradhan Mantri Gram Sadak Yojna (PMGSY). These roads in six districts of Bihar will also be maintained by NHPC for 5</p>



	years. Under this scheme, 759 roads of 3232.30 km with a awarded cost for Rs. 1728.61 Crore are under implementation out of which 667 roads of 2770.23 Km (full length) with a awarded cost of Rs. 1533.29 Crore have so far been completed as on 31.12.2012.
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Design and engineering

The engineering and design of a hydroelectric project requires input from a number of specialist engineering disciplines, particularly, civil and hydro-mechanical design, geological and geotechnical and electrical and mechanical design.

Civil and hydro mechanical design

This aspect of the project includes:

Developing detailed site plans, including the civil works layouts.

Reviewing hydrological data available and supervising field investigations and hydrological studies.

Assessing the impact of soil erosion and sediment on the proposed hydroelectric projects.

Geological and geotechnical engineering

The geotechnical engineering process involves the collection of sufficient qualitative and quantitative geological, geotechnical and construction material information to determine basic design parameters for the major civil structures of the project.

Electrical and mechanical design

This involves assessing the electrical and mechanical needs of the project and includes:

Evolving optimised designs for electromechanical works of projects under planning and execution.

Providing technical data and cost estimates on electrical and mechanical equipment.

Preparing operation and maintenance manuals for electromechanical works.

Contract and construction management

Our role as contract and construction manager is to organize and supervise the construction of the project. We determine the number of contracts that are awarded per project after reviewing the size and capacity of the project. In general, one or two contracts for civil works, one contract for the hydro mechanical components and one contract for the electromechanical components of each project are awarded.

Operation and maintenance



Once the power station is commissioned and becomes fully operational the operation and maintenance division is responsible for the orderly running of the project. This division maintains a database of generation parameters for statistical review and analysis that can be used to optimise generation along with reducing downtime of equipment. This division also analyses data to forecast problems and advises on remedial measures.

Automation of stations

Presently, the operations of all the power stations are either semi or fully automated. Our Uri, Chamera II, Dhauliganga and Dulhasti power stations are equipped with advanced distributed control systems along with SCADA systems. We are presently implementing SCADA in the Baira Siul, Loktak, Tanakpur, Rangit and Chamera I power stations. SCADA allows for better monitoring and control of the power station.

Sale of Energy

Tariffs

Tariffs for each of our hydropower stations are determined by the CERC. A new tariff policy was issued by CERC pursuant to notification no. L-7/145(160)/2008-CERC dated January 19, 2009, and relates to the Control Period (CP) from April 1, 2009 to March 31, 2014.

Tariff are determined by reference to AFC, which comprise of return on equity, depreciation, interest on loan, interest on working capital, operation & maintenance expenses. The AFC is recoverable as primary energy charges and capacity charges. Recovery of capacity charges is dependent on the actual availability of our machines for generating power. Capacity is determined by reference to the NAPAF, which has been prescribed for each project based on the nature of the project where as Energy charge is recoverable on the basis of actual generation.

We are entitled to receive incentives for achieving a plant availability factor greater than NAPAF as well as for generating energy in excess of the design energy level of the plant.

Power Purchase Agreements

The GoI allocates the output of each of our stations among the station's customers. Each of our power stations has PPAs with its customers. Under the terms of the PPAs, we are obliged to supply electricity to SEBs or their successor entities, private distribution companies and other GoI entities in accordance with the terms of the allocation issued by the GoI from time to time. The power supplied to customers is billed as per tariff regulations issued by CERC. The PPA is valid until it is extended, renewed or replaced by another agreement on such terms and for such further period of time as the parties agree.

The MoUs signed with respective state governments where power station is situated we require to provide 12.0% of the energy that we generate to the respective state free of



cost. As per the guidelines of MoP, GOI, we are not permitted to offer this contracted capacity to any third person for the duration of such MoUs.

The term of validity of the PPA is generally for five years (now in some cases it have been changed to life of the project i.e. 35 years) from the date of the commercial operation of the last unit of the project, provided that such PPAs may be renewed or replaced on such terms and for such further time as the parties may agree. However, the provisions of a PPA continue to operate until such PPA is formally renewed or replaced.

The tariffs charged and the conditions for the supply of energy, as well as the levy of surcharge and rebates are determined according to the tariff regulations issued by the CERC or policies of GoI from time to time. Further, settlement of any disputed current dues is determined according to the directives of the CERC or the GoI as issued from time to time.

The parties to a PPA are not liable for any claim for loss or damage arising out of failure to carry out the terms of such PPA to the extent that such failure is due to events such as riot, strike, lock out, fire, explosion, flood, drought, earthquake, war or other forces, accidents or force majeure events and are beyond the control of either party. Any party claiming the benefits of this provision holds the burden of proving that the event occurred and damage was suffered.

All questions or disputes between parties in connection with a PPA, except the extent of power vested with the respective RPC(s), are settled through arbitration in accordance with the provisions contained in the Electricity Act, 2003 and the Arbitration and Conciliation Act, 1996 and any statutory modifications thereto, in the event such differences cannot be settled through conciliation prior to arbitration.

Recoveries through the One-Time Settlement Scheme (“One Time Settlement”)

NHPC has previously had problems recovering payments from SEBs and other state government entities; however, in 2001, the MoP, and the state entities established a scheme of One Time Settlement. Pursuant to the One Time Settlement, the GoI, on behalf of the central sector power utilities, executed Tripartite Agreements with the RBI and the state governments to effectuate a settlement of overdue payments, by way of tax-free power bonds, owed to NHPC by the SEBs or their successor entities or other state government entities with provisions for incentives for future timely payment.

Under these agreements, the overdue amounts outstanding as of September 30, 2001 were securitised by the issue of tax-free power bonds and long term advances amounting to Rs. 2,818.04 crore against outstanding principal dues, late payment surcharge, and conversion of bonds issued by the SEBs after March 1, 1998. Tax free interest on the power bonds and long- term advances are payable to NHPC at a rate of 8.5% p.a payable on half yearly basis. These bonds mature and the long-term advances are payable in various stages, starting from October 1, 2006 until April 1, 2016.

Research and Development



Research and development is key to our continued success in engineering and construction. Our research and development activities are focused on anticipating our future needs and those of our agency clients and making us more competitive. We also seek to implement the latest technological advances and developments at our project sites. Our research and development activities are concentrated primarily on studies for elongation of operating life of underwater components, such as turbines, by mitigating silt erosion.

Clean Development Mechanism

We are in the process of securing benefits from our hydropower projects under the clean development mechanism (“CDM”) scheme pursuant to the United Nations Framework Convention on Climate Change of 1994. Under this scheme, an industrialised country that wishes to get credits from a CDM project must obtain the consent of the developing country hosting the project to claim such credit and confirm that the project will contribute to sustainable development. Then, using methodologies approved by the CDM Executive Board, the applicant must make the case that the carbon project would not have happened absent such benefits, and must establish a baseline estimating the future emissions in the absence of the registered project. The case is then validated by a third party agency, called a Designated Operational Entity, to ensure the project results in real, measurable, and long-term emission reductions.

Hydropower projects registered by the CDM Executive Board are eligible to earn certified emission reduction (“CER”) credits. CER credits can be sold to industrialised countries that are required to meet their green house gas emission reduction targets under the terms of the Kyoto Protocol Treaty of 2005.

Nimoo Bazgo (3X15 MW) and Chutak (4X11 MW) Projects located in Jammu & Kashmir state have been registered by the CDM Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC). The Nimoo Bazgo and Chutak projects shall annually reduce emissions of approximately 187,893 metric tonne CO₂ equivalent and 166,831 metric tonne CO₂ equivalent. However, CDM Registration of these projects is being revised under the new isolated grid methodology which may be suitably fit in these projects, to incorporate the change in connectivity of these projects from National Grid to Local Isolated Grid.

NHPC’s Teesta-V Power Station has been successfully validated under the Voluntary Emission Reduction Scheme. Verification of the generation for the period from April 2008 to September 2009 and for the period of October 2009 to May 2012 has been completed. Approximately 2 Crores VER is expected to be issued within a period of 10 years. Crediting period shall be renewed for another 10 years. Sale of VER is under process.

We are pursuing CDM registration for additional projects and are investigating other carbon trading initiatives such as voluntary emission reduction for our projects.



IT and Communications

We make use of information and communication technologies for the execution and management of our projects and power stations. We consider information technology to be a strategic tool for us to improve our overall productivity and efficiency. We have successfully implemented an Enterprises Resource Planning (ERP) software solution to help in managing optimum utilization of generating assets, accelerated development of construction projects thereby improving quality, productivity and profitability of the organization. The key Modules of ERP are live in all over 54 locations which include all regional offices, construction projects generating power stations and corporate office as well as other locations.

Software

Our electromechanical design division has developed a suite of software, Jal Vidyut, for in-house use in connection with power potential assessment, preliminary power house sizing and speed and pressure rise computations. DPRs for several projects have been successfully submitted to the CEA for TEC using data computed by the software. This suite of software was developed in an effort to standardize engineering practice in our organisation. We intend to continue to refine this software to increase its utility to our engineering team.

Insurance

We rely upon insurance coverage obtained by our contractors to insure damage and loss to our hydroelectric projects during the construction phase. Our contractors take third-party insurance in respect of risks associated with our assets and infrastructure that are ancillary to our stations during the construction phase.

We insure the risks associated with damage due to fire, storm, cyclone, flood, earthquake, landslide and terrorist activities to our power stations once they have been commissioned and are operating. We have obtained “Mega Risk Insurance Policy”, “Comprehensive Package Insurance for CPM Equipments” & “Third Party Insurance” Policies in respect of all O&M Power Station w.e.f. 31.07.11.

Human Resources

Our Company had 10,566 employees as of 31.12.2012. Out of this, 5,049 employees were engaged in operation and maintenance areas of our business. We believe that a well-trained and experienced team of employees is crucial to our continued growth and success. In this regard, we are committed to recruiting and retaining the best talent in the industry, providing them the best training and development facilities and remunerating our employees at levels that will encourage them to perform to their best capability.



Employee Training and Development

We encourage our employees to develop management and technology skills through internal programs, industry affiliations and external certifications. The training and development needs of our staff are assessed on a regular basis. We have a comprehensive training policy for the development of our employees.

Unions

The majority of our workers are affiliated with worker unions. We believe that we have harmonious relationships with our worker unions. Most of our generating stations have unions that are registered under the Trade Union Act, 1926. Most of these unions are affiliated with one of the following - All India NHPC Employees' & Workers' Council, All India Workers' & Employees' Federation, NHPC Karamchari Mahasangh and NHPC Employees' Front. We have previously had instances of sporadic and localised protests. These have not led to any substantial generation loss. Wage negotiations with our unions is ongoing process and a new wage agreement has been entered into with respect to unionized employees.

Environmental Compliance

NHPC is sensitive towards environment and well being of people. Prior to project construction, detailed Environmental Impact Assessment (EIA) studies are carried out based on which Environmental Management Plans (EMP) are formulated, as listed below, to mitigate any adverse impact on man and environment.

1. Voluntary Afforestation (VA),
2. Biodiversity Management,
3. Catchment Area Treatment,
4. Restoration of Muck Disposal area,
5. Restoration of construction areas and quarry sites,
6. Public Health Management,
7. Disaster Management plan,
8. Green Belt Development plan
9. Environmental Monitoring
10. Fishery Management Plan
11. Resettlement and Rehabilitation Plan.

Based on EIA, EMP and Public Hearing, environmental clearance is issued by MoEF.

As far as adverse impacts on people are concerned, a Resettlement and Rehabilitation (R&R) Plan is formulated as a part of EIA/EMP report, which is based on a detailed socio-economic survey. This R&R Plan is either based on the National R&R Policy or State R&R Policy, wherever applicable. R&R Plan is implemented through the concerned State Government. Apart from this R&R Plan, a comprehensive Community and Social Development Plan is also formulated for the welfare of the project affected people and other local population living nearby the project area. Compensation for land



and properties of project affected people is provided at the rate fixed by the concerned State Government.

Corporate Social Responsibility and Rehabilitation and Resettlement

We are committed to our Corporate Social Responsibility (“CSR”) efforts and strive to demonstrate environmentally as well as ethically conscious behaviour. We seek to incorporate best practices in corporate governance, employee welfare, and environmental commitment, and have taken various initiatives towards community development. In our endeavour to align our business operations with social values, we have sanctioned a budget for various large-scale community empowerment and capacity building initiatives to be undertaken in and around our power stations and construction sites pursuant to provisions made in the DPRs.

Our resettlement and rehabilitation program aims to improve the economic status of people displaced or otherwise affected adversely by our projects. We are committed to safeguarding the interests of PAPs through implementation of our Rehabilitation and Resettlement Policy, 2007, (“R&R Policy”) which is based on the National Resettlement and Rehabilitation Policy, 2007 (“NRRP”) of the GoI.

Our R&R Policy aims to provide PAPs with an adequate rehabilitation package beyond monetary compensation. This includes active and transparent participation of PAPs in deciding their compensation packages, compensation for those who do not have a legal or recognised right over the land on which they depend for subsistence, continuity in livelihood options after resettlement, quantification of costs and benefits that will accrue to society (as to the desirability and justifiability of each project), expeditious implementation of the rehabilitation process and special care for vulnerable sections of society.

Recent initiatives towards socio-economic development in connection with our power stations and projects, including initiatives under our R&R Policy for the benefit of PAPs, include the following:

Construction, widening and maintenance of roads and bridges; Afforestation, catchment area treatment, and fisheries management; Development of irrigational facilities, water supply, and drainage facilities; Creation of botanic parks and biodiversity conservatories; Rural electrification works; Organisation of educational, career guidance and vocational training programs, awareness programmes on horticultural and agricultural practices, healthcare programs and promotion of sports and culture; organisation of health checkup camps, vaccination and immunization works, free distribution of medicines; and on the occasions, our Company has assisted in reconstruction of flood-affected villages



Competition

As of December 31, 2012, total installed capacity of hydroelectric projects in India was approximately 39,339 MW. Our Company, with an installed capacity of 4039 MW, represents approximately 10.27% of the capacity share. Combined with NHDC's installed capacity of 1,520 MW, we represent a capacity share of 5559 MW approximately 14.13%. In Fiscal 2013 (up to 31.12.2012), our Company generated 16422 MUs of electricity. Some of the other players in this industry are Bhakra Beas Management Board ("BBMB"), generation companies of the various states of India, such as, MAHAGENCO, Andhra Pradesh Generation Company ("APGENCO"), Satluj Jal Vidyut Nigam Limited, which is a joint venture between the GoI, the government of Himachal Pradesh and Tehri Hydro Development Corporation Limited ("THDC"), which is a joint venture between the GoI and the government of Uttar Pradesh, along with other private players. Due to the historical imbalance between demand and supply in the Indian power sector, there has generally been a stable market for power generation companies in India. However, the Electricity Act, 2003, removes licensing requirements for thermal generators, provides for open access to transmission and distribution networks and removes restrictions on the right to build captive generation stations. These reforms provide opportunities for increased private sector involvement in power generation. Specifically, the open access reforms, by which generators will be able to sell their output directly to distribution companies and, ultimately, directly to consumers, may increase the financial viability of private investment in power generation.

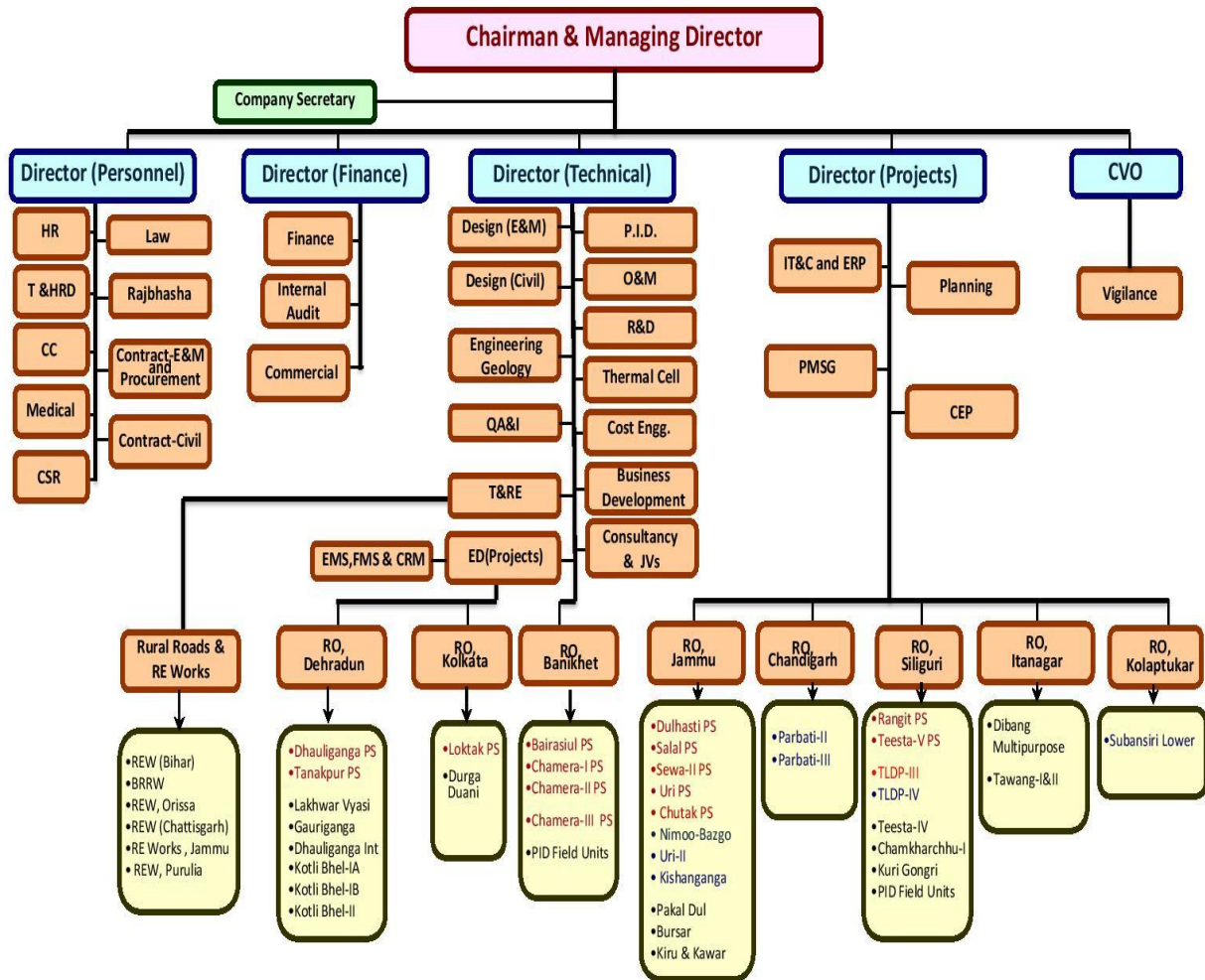
While under the Electricity Act, 2003, CEA approval and consent of relevant state government is required to set up a hydropower project, the increased opportunities for private investment in the market described above, when combined with available hydro potential in India and the resulting low costs of production, may lead to increased investment in and competition in the hydroelectric sector in the future.

ii Organisation Structure



18.01.2013

ORGANIZATION STRUCTURE



Note: (i) Regional EDs shall functionally report to Director (Technical) for Power Stations and Director (Projects) for Construction Projects and Investigation Projects.
 (ii) All Joint Venture Heads shall report directly to CMD until & unless categorically specified.
 (iii) Contract (E&M) & Contract(Civil) shall administratively report to Director(Personnel) and functionally report to Director (Technical) for Power Stations and Director (Projects) for Construction Projects.
 (iv) ED, RO Jammu for Nimoo Bazgo shall report to Director (Technical) and HoP Kotli Bhel-IA, IB & II shall report to Director (Project) through ED (PMSG).

iii Key Operational and Financial Parameters for the last 3 Audited Years

(Standalone) (Rs. in crores)

Parameters	Upto latest Half Year 30.09.2012	FY 2011-12	FY 2010-11	FY 2009-10
For Non-Financial Entities				
Net Worth	27811.64	26353.53	24580.68	23273.19
Total Debt	17776.81	17641.14	14569.26	13868.22
of which	16536.88	16452.80	13702.53	13018.65
- Non Current Maturities of Long Term Borrowing				
- Short Term Borrowing	-	180.00	-	800.00



- Current Maturities of Long Term Borrowing	1239.93	1188.34	866.73	849.57
Net Fixed Assets	18580.94	16368.32	17100.89	16394.93
Non Current Assets	42066.84	40827.75	38215.55	34814.00
Cash and Cash Equivalents	4856.26	6003.97	5350.08	6597.38
Current Investments	250.74	250.74	253.59	255.56
Current Assets	11828.11	11932.01	9364.64	8321.79
Current Liabilities	6536.51	6790.14	6145.20	4417.84
Net Sales	3099.85	5509.65	4046.59	4218.90
EBITDA	2013.10	4752.02	4160.75	3892.41
EBIT	474.96	3859.28	3244.01	2859.16
Interest	184.47	342.24	366.60	457.08
PAT	1453.19	2771.77	2166.67	2090.50
Dividend Amounts	-	861.05	738.04	676.54
Current Ratio	1.81	1.76	1.52	1.88
Interest Coverage Ratio	15.41	15.26	12.37	10.08
Gross Debt / Equity Ratio	0.64	0.67	0.59	0.60
Debt Service Coverage Ratios	5.87	5.11	3.01	2.62

Gross Debt: Equity Ratio:

Before the issue of debt securities (30.09.2012)	0.64
After the issue of debt securities	0.69

iv Project cost and means of financing: At present 9 nos of projects are under construction:

Ongoing Projects & States	Installed Capacity (MW)	Anticipated Cost
		(Rs. in Crore)
Chutak (J&K)	44*	893.77
Nimoo Bazgo (J&K)	45	936.1
Teesta Low Dam III (W.B.)	132	1628.39
Uri II (J&K)	240	2080.82
Parbati III (H.P.)	520	2304.56
Teesta Low Dam IV (W.B.)	160	1501.75
Parbati II (H.P.)	800	5365.70
Subansiri Lower (Ar. Prad/ Assam)	2000	10779.36
Kishanganga (J&K)	330	3642.04
Total	4271	29132.49

As per CCEA approval and CERC guidelines the above projects are to be financed in the debt equity ratio of 70:30.



c A brief history of the Issuer since its incorporation giving details of its following activities:

i Details of Share Capital as on last quarter end (as on 30.09.2012)

(Rs. in Crores)

Particulars	Amount
1. Share Capital	
Authorised: 15000000000 Equity Shares of Rs 10/- each	15000.00
Issued, Subscribed and Paid up: 12300742773 Equity Shares of Rs 10 each fully paid up (Out of above 62952960 Shares of Rs 10/- each have been allotted for consideration other than cash pursuant to agreement with Government of India)	12300.74

ii Changes in its capital structure as on last quarter end, for the last five years:

Date of Change (AGM / EGM)	Rs.	Particulars
No change in Authorised share capital		

iii Equity Share Capital History of the Company as on last quarter end, for the last five years:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (Rs in Crores)	Equity Share Premium (Rs in Crores)	
March 13, 2008	88,30,930	10	10	Cash	Promoter	11,18,24,93,430	11,182.49	Nil	
August 26, 2009	1118249343	10	36	Cash	IPO	12300742773	12300.74	2868.74*	

* Adjustment of Share issue expenses of Rs 38.71 crores as per the provisions of Section 78 of the Companies Act, 1956.

iv Details of any Acquisition or Amalgamation in the last 1 year: NIL

v Details of any Reorganization or Reconstruction in the last 1 year.

Type of Event	Date of Announcement	Date of Completion	Details
-----NIL-----			
--			

d Details of the shareholding of the Company as on the latest quarter end:

i Shareholding pattern on the Company as on last quarter end (31.12.2012):



Sl. No.	Particulars	Total No. of Equity Shares	No. of shares in demat form	Total Shareholding as % of total no. of equity shares
1	President Of India	10623368758	10623368758	86.36364
2	Resident Individuals	788456854	788266663	6.40983
3	Bodies Corporates	237849673	237849673	1.93362
4	Foreign Institutional Investors	224337903	224337903	1.82378
5	Mutual Funds	79345073	79345073	0.64504
6	Insurance Companies	164143621	164143621	1.33442
7	Banks	78049719	78049694	0.63451
8	H U F	41265595	41265595	0.33547
9	Indian Financial Institutions	24774213	24774213	0.20140
10	Non Resident Indians	17380655	17373080	0.14130
11	Clearing Members	19069408	19069408	0.15503
12	Trusts	2690039	2690039	0.02187
13	Overseas Corporate Bodies	8462	8462	0.00007
14	Foreign Nationals	2800	2800	0.00002

Notes: Shares pledged or encumbered by the promoters (if any): NIL

ii List of top 10 holders of equity shares of the Company as on last quarter end 31.12.2012:

Sl. No	Name of the Shareholders	Total No. of Equity Shares	No. of shares in demat form	Total Shareholding as % of total no. of equity shares
1	PRESIDENT OF INDIA	10623368758	10623368758	86.37
2	LIFE INSURANCE CORPORATION OF INDIA	119202169	119202169	0.97
3	UCO BANK	33154836	33154836	0.27
4	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	29965604	29965604	0.24
5	MACQUARIE BANK LIMITED	23992339	23992339	0.19
6	HDFC TRUSTEE COMPANY LIMITED - HDFC TOP 200 FUND	20397000	20397000	0.17
7	CORPORATION BANK	16822014	16822014	0.14
8	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA	15000000	15000000	0.12
9	BARCLAYS CAPITAL MAURITIUS LTD	14976623	14976623	0.12
10	SOCIETE GENERALE	14505348	14505348	.012



e Following details regarding the directors of the Company:

i Details of the current directors of the Company*

Name, Designation & DIN	Age	Address	Director of the Company since	Details of Other Directorship
Shri G. Sai Prasad, CMD & Govt. Nominee Director, (DIN 00325308)	46 Years	House No. B-2, Block-2, 2nd Floor, New Moti Bagh, New Delhi-110023	20.12.2011	1. Chairman-NHDC Ltd. 2. Director (Government Nominee)-SJVN Ltd. 3. Director (Government Nominee) - THDC Ltd. 4. Member-Bhakra Beas Management Board 5. Director (Government Nominee)-North Eastern Electric power Corporation Ltd. 6. Chairman-LDHC Ltd.
Shri A.B.L. Srivastava, Director (Finance), (DIN 01601682)	57 Years	C - 301, Stellar Park, C - 58/24, Sector -62, Gautam Budha Nagar, Noida – 201301 (UP)	11.02.2008	Nominee Director - PTC India Limited, Managing Director-NHDC Ltd.
Shri D.P.Bhargava, Director (Technical), (DIN 01277269)	56 Years	House No. 176, Sector 30, Faridabad – 121003 (Haryana)	26.03.2009	Nominee Director-Chenab Valley Power Projects Pvt. Ltd.
Shri J.K. Sharma, Director (Projects),	54 Years	House No. 915, Sector 28, Faridabad – 121003	10.04.2009	Nominee Director-



(DIN 00387785)		(Haryana)		Chenab Valley Power Projects Pvt. Ltd.
Shri Radheshyam Mina, Director (Personnel), (DIN 00149956)	55 Years	6081/1, Sector D-6, Vasant Kunj, New Delhi – 110070	28.04.2009	-
Shri A.S. Bakshi, Govt. Nominee Director, (DIN 05175439)	59 Years	WZ-13A, Sant Pura, P.O. Tilak Nagar, New Delhi - 110018	17.01.2012	-
Shri A. Gopalakrishnan, Independent Director, (DIN 02880344)	60 Years	3C, Skyline Topaz, Kaloor Kadavanthra Road, Kochi – 682020	15.12.2009	Retired on 03.12.2012
Shri Gurdev Singh VEDI, Independent Director, (DIN 02286126)	62 Years	A-287, Vikaspuri, New Delhi – 110018	08.11.2011	Director – MMTC
Shri Arun Kumar Mago, Independent Director, (DIN 01624833)	67 Years	40, Pushpanjali, Vikas Marg Extension, Delhi – 110092	09.11.2011	Independent Director – Yes Bank, Public Representative Director – Inter Connected Stock Exchange of India
Shri R. Jeyaseelan, Independent Director, (DIN 02143850)	66 Years	C/o Dr. S. Jeyaseelan, House No. 5, Senior Doctors' Residence, Holy Family Hospital, New Delhi - 110025	12.11.2011	-
Shri Ashoke Kumar Dutta, Independent Director, (DIN 00045170)	65 Years	50, Jatin Das Road, Flat GB, Kolkata-700029	30.03.2012	Director – Khadims India Ltd., ABC India Ltd. Chairman – All Indian Technologies Ltd., Batchmates Com. Pvt. Ltd.
Shri Atul Kumar Garg, Independent	62 Years	N-7-N-8, Adinath Nagar, JLN Marg,	30.03.2012	



Director, (DIN 02281287)		Opposite World Trade Park, Jaipur- 302015 (Rajasthan)		-
Shri Shantikam Hazarika, Independent Director, (DIN 00523656)	64 Years	“Hazarikas”,11 Nizorapar,Chandmari, Guwahati-781003	24.05.2012	Director – Assam State Electronics Development Corporation, The Guwahati Stock Exchange Ltd.

*: Company to disclose name of the current directors who are appearing in the RBI defaulter list and / or ECGC default list, if any. Nil

ii Details of change in directors since last 3 years as on 16.01.2013

Name, Designation & DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Sh.S.K.Garg, Chairman & Mannaging Director (DIN:00055651)	01.07.2003* 23.01.07		Ceased to be director w.e.f 31.12.2010 *He was initially appointed as Director Finance on 01.07.03 and elevated to the post of Chairman and Managing Director on 23.01.07
Sh. Rakesh Jain, Official part time Director (DIN: 02682574)	29.09..09		Ceased to be director w.e.f 03.01.2012
Sh. Sudhir Kumar, Official part time Director (DIN: 02669103)	21.10.09		Ceased to be director w.e.f 01.12.2011
Smt. Komal Anand, Independent Director (DIN:01909263)	02.04.08		Ceased to be director w.e.f 02.04.2011
Sh. Raman Sidhu, Independent	07.04.08		Ceased to be director w.e.f



Director (DIN: 00121906)			07.04.2011
Dr. Kuriakose Mamkoottam, Independent Director (DIN:02231128)	17.06.08		Ceased to be director w.e.f 17.06.2011
Sh. K. Dharmarajan, Independent Director (DIN:02322767)	03.09.08		Ceased to be director w.e.f 03.09.2011
Shri Arun Kumar Mago, Independent Director, (DIN 01624833)	03.04.08		Ceased to be director w.e.f 03.04.11
Shri R. Jeyaseelan, Independent Director, (DIN 02143850)	23.04.08		Ceased to be director w.e.f 23.04.11
Shri G. Sai Prasad, Government Nominee Director, (DIN 00325308)	20.12.2011		Continuing
Shri A.S. Bakshi, Government Nominee Director, (DIN 05175439)	17.01.2012		Continuing
Shri Gurdev Singh Vedi, Independent Director, (DIN 02286126)	08.11.2011		Continuing
Shri Arun Kumar Mago, Independent Director, (DIN 01624833)	09.11.2011		He has been reappointed and he is continuing.
Shri R. Jeyaseelan, Independent Director, (DIN 02143850)	12.11.2011		He has been reappointed and he is continuing.
Shri Ashoke Kumar Dutta, Independent Director, (DIN 00045170)	30.03.2012		Continuing



Shri Atul Kumar Garg, Independent Director, (DIN 02281287)	30.03.2012		Continuing
Shri Shantikam Hazarika, Independent Director, (DIN 00523656)	24.05.2012		Continuing
Shri A. Gopalakrishnan, Independent Director, (DIN 02880344)	15.12.2009		Ceased to be director w.e.f 03.12.12

f Following details regarding the auditors of the Company:

i Details of the auditors of the Company

Name	Address	Auditor since
M/s S. N. Nanda & Co.	C-43, Pamposh Enclave, Greater Kailash – I, New Delhi – 110 048	2011-12(As Joint Statutory Auditor)
M/s Baweja & Kaul	House No. 32, Sector-8, Trikuta Nagar, Jammu, Jammu & Kashmir – 180 012	-2009-10 to 2010-11 (as Branch Auditor) - 2011-12(as Joint Statutory Auditor)
M/s Singhi & Co.	1-B, Old Post Office Street, Kolkata – 700 001, West Bengal	-2010-11 as Branch Auditor - 2011-12(as Joint Statutory Auditor)
M/s Tiwari & Associates	T-8, Green Park Extension, New Delhi – 110 016	-2010-11(as Branch Auditor) -2011-12(as Joint Statutory Auditor)

ii Details of change in auditor since last 3 years

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
M/s. GSA &	16, Ground	From		Main



Associates	Floor, DDA Flats, Shivalik-Panchashil Mor, Near Malviya Nagar, New Delhi-110017	2006-07 to 2009-10		Auditor
M/s. K.K.Ghei & Co.	806, Hemkunt House,6, Rajindra Place, New Delhi-110008	From 2006-07 to 2009-10		Branch Auditor
M/s. K.C. Bhattacharjee & Paul	2, Church Lane,3rd Floor, Room No.304-B, Kolkata-700072	From 2006-07 to 2009-10		Branch Auditor
M/s. N. Sarkar & Co.	21, Prafulla Sarkar Street, Kolkata-700072	From 2006-07 to 2009-10		Branch Auditor
M/s. SBG & Co.	E-27,Kamla Nagar,Delhi-110017	For 2010-11		Re-appointment not made by CAG.
M/s Singhi & Co.	Emerald House, 4th Floor,1-B, Old Post Office Street, Kolkata-700001	From 2010-11		-2010-11 as Branch Auditor -From 2011-12 as Joint Statutory Auditors
M/s. A.Kayes & Co.	231, Kamalalaya Centre(2nd & 3rd Floor), 156A, Lenin Sarani, Kolkata-700013	From 2010-11		Re-appointment not made by CAG.
M/s. Tiwari & Associates	T-8, Green Perk Extension, New Delhi-110016	From 2010-11		-2010-11 as Branch Auditor -From 2011-12 as Joint Statutory



				Auditors
M/s. S.N. Nanda & Co.	C-43, Pamposh Enclave, Greater Kailash -1, New Delhi-110048	From 2011-12		-2010-11 as Branch Auditor -From 2011-12 as Joint Statutory Auditors
M/s. Baweja & Kaul	House No. 32, Sector-8, Trikuta Nagar, Jammu, Jammu & Kashmir – 180 012	From 2009-10		-2009-10 & 2010-11 as Branch Auditor -From 2011-12 as Joint Statutory Auditors

g Details of borrowings of the Company, as on the latest quarter end:30.09.12

i Details of Secured Loan Facilities

(Amount Rs. in Crores)

Lender's Name	Type of Facility	Amt Sanctioned	Principal Amt O/s	Repayment Date / Schedule	Security
State Bank of Patiala	Term Loan	40.00	18.00	9 half yearly instalments of Rs. 2 crores each upto 09.07.2017	Pari-passu charge against Immovable / Movable assets of Chamera-I Power Station situated in Himachal Pradesh except for book debts & stores
Canara Bank	Term Loan	200.00	100.00	5 equal yearly instalments of Rs. 20 crores each upto 09.11.2016	Pari-passu charge against Immovable / Movable assets of Uri-I Power Station situated in Jammu & Kashmir except for book debts and stores
Canara Bank	Term Loan	85.00	17.00	1 yearly instalment of Rs. 17 crores each upto 30.01.2013	Pari-passu charge against Immovable / Movable assets of Chamera-I Power Station situated in Himachal Pradesh except for book



					debts & stores
Syndicate Bank	Term Loan	183.00	91.50	5 equal yearly instalments of Rs. 18.30 crores each upto 23.02.2017	Same as above
Oriental Bank of Commerce	Term Loan	200.00	100.00	5 equal yearly instalments of Rs. 20 crores each upto 31.03.2017	Same as above
Oriental Bank of Commerce	Term Loan	100.00	90.00	9 equal yearly instalments of Rs. 10 crores each upto 27.12.2020	Same as above
Indian Bank*	Term Loan	100.00	66.67	2 yearly instalments of Rs. 33.33 crores each upto 27.02.2012	Pari-passu charge against Immovable / Movable assets of Chamera-I Power Station situated in Himachal Pradesh except for book debts & stores
Indian Bank	Term Loan	75.00	75.00	Bullet repayment of Rs. 75.00 crores on 29.09.2014	Pari-passu charge against assets of Loktak Power Station situated in Manipur except for book debts & stores and exclusive charge against assets of Baira Siul situated in Himachal Pradesh except for book debts and stores.
UCO Bank	Term Loan	1000.00	1000.00	24 half yearly instalments of Rs. 41.67 crores each upto 30.06.2024	First charge on Pari-passu basis on movable assets, both present & future, of Dulhasti Power Station situated in Jammu & Kashmir except for book debts & stores
Corporation Bank	Term Loan	500.00	500.00	48 equal quarterly instalments of Rs. 10.42 crores each	First charge on Pari-passu basis on movable assets, both present & future, of Salal & Sewa-II, Power Stations, Chutak, Nimoo-



				upto 06.10.2026	Bazgo & Uri-II HE Projects, all situated in Jammu & Kashmir and TLDP-IV HE Project situated in West Bengal except for book debts & stores
Canara Bank	Term Loan	200.00	200.00	48 equal quarterly instalments of Rs. 4.17 crores each upto 16.10.2026	Same as above
Indian Overseas Bank	Term Loan	200.00	200.00	48 equal quarterly instalments of Rs. 4.17 crores each upto 16.10.2026	Same as above
Punjab & Sind Bank	Term Loan	200.00	200.00	48 equal quarterly instalments of Rs. 4.17 crores each upto 17.10.2026	Same as above
IndusInd Bank	Term Loan	100.00	100.00	48 equal quarterly instalments of Rs. 2.083 crores each upto 24.10.2026	Same as above
Syndicate Bank	Term Loan	300.00	300.00	48 equal quarterly instalments of Rs. 6.25 crores each upto 02.02.2026	Same as above
Union Bank of India	Term Loan	150.00	150.00	48 equal quarterly instalments of Rs. 3.125 crores each	Same as above



				upto 03.11.2026	
Life Insurance Corporation of India	Line of Credit	2500.00	1666.72	17 equal half yearly instalments of Rs. 104.17 crores each upto 15.10.2020	Pari-passu charge against immovable & movable assets of Parbati-II HE Project situated in Himachal Pradesh and pari-passu charge against all immovable & movable assets of Dhauliganga Power Station situated in Uttarakhand except for book debts and stores.
Life Insurance Corporation of India	Line of Credit	1896.00	1738.00	23 equal half yearly instalments of Rs. 79 crores each upto 30.10.2023	Pari-passu charge against immovable / movable assets of TLDP-III HE Project situated in West Bengal and Teesta-V Power Station situated in Sikkim.
Power Finance Corporation	Term Loan	750.00	675.00	36 equal quarterly instalments of Rs. 18.75 crores each upto 15.07.2021	First charge on Pari-passu basis on movable assets, both present & future, of Dulhasti Power Station situated in Jammu & Kashmir except for book debts & stores
Power Finance Corporation	Term Loan	186.00	111.60	24 equal quarterly instalments of Rs. 4.65 crores each upto 15.07.2018	Same as above
Power Finance Corporation	Term Loan	70.00	63.00	36 equal quarterly instalments of Rs. 1.75 crores each upto 15.07.2021	Same as above



Power Finance Corporation	Term Loan	1457.00	1274.88	35 equal quarterly instalments of Rs. 36.425 crores each upto 15.07.2021	Pari-passu charge against Immovable / Movable assets of Uri-I Power Station situated in Jammu & Kashmir and Chamera-II Power Station situated in Himachal Pradesh except for book debts and stores
Power Finance Corporation	Term Loan	413.00	278.77	27 equal quarterly instalments of Rs. 10.325 crores each upto 15.07.2018	Pari-passu charge against Immovable / Movable assets of Chamera-I Power Station situated in Himachal Pradesh except for book debts & stores
Power Finance Corporation	Term Loan	500.00	362.50	29 equal quarterly instalments of Rs. 12.50 crores each upto 15.07.2019	Same as above

* The loan was converted into a secured loan vide an agreement dated October 4, 2006.

ii Details of Unsecured Loan Facilities

(Amount Rs. in Crores)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule
Domestic				
Government of India	Subordinate Debt for Nimoo Bazgo HE Project	270.00	270.00	18 equal annual instalments from 12th year after commissioning of the project.
Government of India	Subordinate Debt for Chutak HE Project	364.00	364.00	24 equal annual instalments from 6th year after commissioning of the project.
Government of India	Subordinate Debt for Kishanganga HE Project	1034.81	1034.81	10 equal annual instalments from 11th year after commissioning of the project.
Foreign				
EDC LOAN	Export Credit-Term Loan	CAD 17.50	216.32	3 half yearly instalments of Rs 37.92 Crs upto



				15.03.2014 thereafter 4 half yearly instalments of Rs 25.63 Crs upto 15.03.2016
Japan Bank of International Cooperation	Term Loan Tranche-I	JPY 566.50	225.56	27 half yearly equal instalments of Rs 8.35 Crs upto 20.01.2026
Japan Bank of International Cooperation	Term Loan Tranche-II	JPY 1631.60	849.61	31 half yearly equal instalments of Rs 27.41 Crs upto 20.01.2026
Japan Bank of International Cooperation	Term Loan Tranche-III	JPY 1389	830	41 half yearly equal instalments of Rs 20.24 Crs upto 20.03.2034
DB-NEXI untied facility	Term Loan	JPY 1824	816.75	13 half yearly equal instalments of Rs 62.83 Crs upto 18.04.2019

iii Details of NCDs
(Amount Rs. in Crores)

Debt Series	Tenor / Period of Maturity	Coupon	Amount	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
O-Series	15 Years with 5 years moratorium	7.70% (Fixed)	570.00	31.03.03	10% every year commencing from 31.03.09 to 31.03.18	“AA+” from Crisil	Secured	1. Uri-I Power Station situated in J&K
P-Series	15 Years with 5 years moratorium	9.00% (Fixed)	2000.00	01.02.10	10% every year commencing from 01.02.16 to 01.02.25	“AAA” from Fitch Ratings	Secured	1. Dhauliganga Power Station situated in Uttarakhand 2. Parbati-II Power Project & 3. Chamera-



								III Power Station both situated in Himachal Pradesh
Q-Series	15 Years with 3 years moratorium	9.25% (Fixed)	1266.00	12.03.12	1/12th every year commencing from 12.03.16 to 12.03.27	1. "AAA" from Fitch Ratings 2. "AAA" from CARE Ratings 3. "AAA" from ICRA Ratings	Secured	1. TLDP-III HE Project situated in West Bengal 2. Teesta-V Power Station situated in Sikkim

iv List of Top 10 Debenture Holders (as on 31.12.2012)

SL. NO.	BONDHOLDER NAME & ADDRESS	AMOUNT
1	LIFE INSURANCE CORPORATION OF INDIA, INVESTMENT DEPARTMENT, 6TH FLOOR, WEST WING, CENTRAL OFFICE, YOGAKSHEMA, JEEVAN BIMA MARG, MUMBAI, PIN-400021, PHONE-66598628/66598663, FAX-22810448, P Series Bonds	2000000000
2	CBT EPF-11-A-DM, Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai India, PIN-400051, PHONE-+91 22 61157169/7170, FAX-+91 22 2675 7008/7009, O Series Bonds	2304000000
3	CBT EPF-05-C-DM, Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai India, PIN-400051, PHONE-+91 22 61157169/7170, FAX-+91 22 2675 7008/7009, O Series Bonds	1980800000
4	CBT EPF-05-B-DM, Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai India, PIN-400051, PHONE-+91 22 61157169/7170, FAX-+91 22 2675 7008/7009, O Series Bonds	1881600000
5	CBT EPF-11-C-DM, Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai India, PIN-400051, PHONE-+91 22 61157169/7170, FAX-+91 22 2675 7008/7009, O Series Bonds	1607800000
6	CBT EPF-05-D-DM, Standard Chartered Bank, CRESCENZO, Securities	1597200000



	Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai India, PIN-400051, PHONE-+91 22 61157169/7170, FAX-+91 22 2675 7008/7009, O Series Bonds	
7	THE STATE BANK OF INDIA EMPLOYEES PROVIDENT FUND, 16TH FLOOR, PPG DEPTT, CORPORATE CENTRE, M. C. ROAD, MUMBAI, MAHARASHTRA, PIN-400021, PHONE-2222741611, O Series Bonds	705600000
8	GENERAL INSURANCE CORPORATION OF INDIA, SURAKSHA., 170, J. T A T A ROAD,, CHURCH GATE, MUMBAI, PIN-400020, PHONE-283 3046, FAX-287 4129, O Series Bonds	700000000
9	CBT EPF-11-D-DM, Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai India, PIN-400051, PHONE-+91 22 61157169/7170, FAX-+91 22 2675 7008/7009, O Series Bonds	580800000
10	CBT EPF-05-A-DM, Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai India, PIN-400051, PHONE-+91 22 61157169/7170, FAX-+91 22 2675 O Series Bonds	424800000

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debenture issues) details should be provided.

- v The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company etc) on behalf of whom it has been issued. NIL
- vi Details of Commercial Paper
The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table:

Maturity Date	Amount Outstanding
NIL	NIL

- vii Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as onNIL

Party Name (in case of Facility) / Instrument Name	Type of Facility / Instrument	Amount Sanctioned / Issued	Principal Amount Outstanding	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security

- viii Details of all defaults/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years. Nil



- ix Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option. Nil
- h Details of Promoters of the Company
- i Details of Promoter Holding in the Company as on the latest quarter end:

Sl. No.	Name of Shareholders	Total No. of Equity Shares	No. of shares in demat form	Total Shareholding as % of total no. of equity shares	No. of Shares Pledged	% of Shares pledged with respect to shares owned
1	President of India through MoP, GoI.	10623368758	10623368758	86.363636%	Nil	-

- i Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss Statement, Balance Sheet and Cash Flow Statement) for at least last 3 years and auditor qualifications, if any.*-Enclosed
- j Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss Statement and Balance Sheet) and auditor qualifications, if any.*-Enclosed

*: Issuer shall provide latest Audited or Limited Review Financials in line with timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular no. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly / annual result. -Enclosed

- k Any material event / development or change having implications on the financials / credit quality (e.g. any material regulatory proceedings against the Issuer / promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities:-

The Company hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/continue to invest in the debt securities of the Company.

- l SBICAP Trustees Company Ltd has been appointed as debenture trustee (s) has given his consent to the issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities.



- m The detailed rating rationale(s) adopted (not older than one year on the date of opening of the issue) / credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.
i) IND AAA (exp) India Ratings Obtained and enclosed
ii)“(ICRA)AAA” By ICRA Obtained and enclosed
- n If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document. N.A
- o Copy of consent letter from the Debenture Trustee shall be disclosed. Enclosed
- p Names of all the recognized stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange:- **National Stock Exchange in WDM Segment.**
- q Other details
- i DRR creation – relevant regulations and applicability :- The Company shall create Debenture Redemption Reserve (DRR) out of its profits and transfer to DRR suitable amounts in accordance with relevant provisions of the Companies Act, 1956 or other guidelines issued from time to time and in force during the currency of the Bonds/STRPPs.
- ii Issue / instrument specific regulations – We adhered to the applicable regulations of Companies Act,1956 and SEBI.
- iii Application process :-

Who can apply:

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Bonds

- Companies and Bodies Corporate including Public Sector Undertakings
- Scheduled Commercial Banks
- Regional Rural Banks
- Co operative Banks
- Financial Institutions
- Insurance Companies
- Mutual Funds
- Provident, Pension, Superannuation & Gratuity Funds
- Port Trusts
- Any other investor authorised to invest in these bonds, subject to confirmation from the issuer.



All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of bonds.

Procedure for applications by Mutual Funds

The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:-

- SEBI registration certificate
- Resolution authorizing investment and containing operating instructions
- Specimen Signature of authorized signatories

Documents to be provided by investors

Investors need to submit the following documentation, along with the application form, as applicable:-

- Memorandum and Articles of Association / Documents Governing Constitution
- Resolution authorising investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money.
- Specimen signatures of the authorised signatories duly certified by an appropriate authority.
- SEBI Registration Certificate (for Mutual Funds)/Recognition Certificate of Trust – Provident, Pension, Superannuation and Gratuity Fund
- Permanent Account Number (PAN)
- Bank / demat Account Number

Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

Submission of Completed Application Forms and Mode of Payment

The amount of the application money may be deposited by way of remittance through **RTGS** only to **NHPC Ltd C.A. No. 10813608692 with (State Bank of India, CAG Branch, New Delhi) (IFSC Code SBIN0009996) on account of Application Money for NHPC R-Series Bonds.**

The application duly filled and Affixed the stamp of arranger may be deposited to Chief (Finance) - Treasury, 4th Floor, NHPC LTD, NHPC Office Complex, Sector-33, Faridabad – 121 003 (Haryana) or through arranger by whom the bids will be submitted.



The copy of the application with RTGS related details (mentioning UTR number on the top of the application) Depository details (mentioning Depository name, Depository Participant's name, DP ID, Client ID (house/non house) must be faxed / hand delivered on the pay in date immediately to Chief (Finance) - Treasury, 4th Floor, NHPC LTD, NHPC Office Complex, Sector-33, Faridabad – 121 003 (Haryana) to facilitate reconciliation and allotment process of bonds.

Right to accept / reject applications

The Issuer is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application forms which are incomplete or which do not fulfill the Terms & Conditions indicated on the back of the application form are liable to be rejected.

Payment on Application

The full face value of the Bonds applied for, is to be paid along with the application form.

Minimum Lot Size

The minimum lot size for trading of the Bonds on the NSE is proposed to be 1 STRPP of the value of Rs. 1.00 Lakh only.

Minimum Subscription:

As the current issue of bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore, NHPC shall not be liable to refund the issue subscription(s)/proceed(s) in the event of total issue collection falling short of issue size or certain percentage of issue size.

Basis of Allocation / Allotment

The Issuer will decide the basis of allotment through Book Building Process. The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.



Book Building Procedure

1. NHPC shall call a meeting of the Arrangers, to discuss inter-alia the indicative price range and other related issues, 2-3 days prior to the issue opening and accordingly shall fix a price range to the issue.
2. Commencing from the Offer Opening Date, potential investors will be invited to place bids by way of irrevocable Letter of Commitment, in the prescribed format, as per the **Annexure**.
3. As per the format, the investor may indicate the amount that they will like to invest in R1, R2 and R3 tranches at different coupon rates within the prescribed price range. Alternatively, investors may indicate the amount they would like to invest at the cut-off coupon rate as decided by the Company, i.e., NHPC. Orders placed earlier can be changed anytime during the bidding period (opening date and time) to (closing date and time) by giving a revised commitment letter, which will be deemed to supercede the earlier commitment.
4. The Letters of Commitment should be submitted to Chief (Finance) – Treasury, 4th Floor, NHPC Office Complex, Sector-33, Faridabad-121 003 (Haryana) in a sealed envelope marked “Original / Revised (as the case may be) Letter of Commitment – NHPC R-Series Bonds” before Bid Closing Date and Time. Full confidentiality of commitments shall be maintained.
5. Based on the Letters of Commitment received, a “Final Coupon Rate” for R-Series Bonds shall be determined by NHPC.
6. The “Final Coupon Rate” so decided will be applicable for all the investors.
7. The final allocation to the investors shall be decided by NHPC. In case there is over-subscription in the issue, priority will be given to investors in the following order:
 - i) First priority would be given to investors bidding at the lowest coupon rate either in original or revised bid.
 - ii) Second priority would be given to investors bidding at the “Cut-off” option either in original / revised bid.
 - iii) Further, within a set of applications bidding to invest at the same Coupon rate, priority shall be given to bids received on an earlier date.
 - iv) In case of tie with respect to “Final Coupon Rate” and Date of Receipt of the bid, allocation will be done on Pro-rata basis.
8. The Final Coupon Rate along with the investors’ allocation shall be communicated to the investors latest by 01st Feb 2013.

On receipt of the Allocation Advice, completed applications along with the details of deposit through RTGS for the requisite amount & other necessary documents may be submitted directly or through Arranger by whom the bids have been submitted, to Chief (Finance) – Treasury, 4th Floor, NHPC Office Complex, Sector-33, Faridabad-121 003 (Haryana). The amount of application money may be deposited through RTGS only to (NHPC Bank Details) on account of **Application Money for R-Series Bonds on 05.02.2013**.

Note: NHPC reserves the right to change the Issue Schedule and also accept or reject any application, in part or in full, without assigning any reason.



Denomination of Bonds

R1:- 13 years of Face value of Rs 12.00 Lac each (Bonds are redeemable at par in 12 equal annual installments starting at the end of 2nd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 2nd,3rd,4th, 5th, 6th, 7th , 8th , 9th, 10th, 11th, 12th and 13th year respectively.)

R2:- 14 years of Face value of Rs 12.00 Lac each (Bonds are redeemable at par in 12 equal annual installments starting at the end of 3rd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 3rd,4th, 5th, 6th, 7th , 8th , 9th, 10th, 11th, 12th , 13th & 14th year respectively)

R3:- 15 years of Face value of Rs 10.00 Lac each (Bonds are redeemable at par in 10 equal annual installments starting at the end of 6th year. Each bond will comprise of 10 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 6th, 7th , 8th , 9th, 10th, 11th, 12th , 13th , 14th & 15th year respectively.)

The investors can hold the bonds only in Electronic (Dematerialized) form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. The Company is making arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the issue of these Bonds in the Electronic (Dematerialized) form. All provisions relating to issue, allotment, transfer, transmission etc in respect of Bonds/STRPPs as prescribed under the Depositories Act, 1996 and the rules made there under will be applicable to the Bonds issued in Dematerialized Form.

Applicants should mention their Depository Participant's (DP) name, DP-ID and Client-ID (Beneficiary Account Number), clear and legible, in the appropriate place in the Application Form.

Depository Arrangement

The Company has appointed M/s RCMC Share Registry Pvt. Ltd. Ground Floor, B-106, Sector-2, Noida-201301, as Registrars & Transfer Agent for the present bond issue. The Company has made depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for issue and holding of the Bonds in dematerialised form.

As per the provisions of Depositories Act, 1996, the Bonds issued by the Company can be held in a dematerialised form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. In this context:



- Two tripartite agreements have been signed
 - Tripartite Agreement dated 24.12.2001 between NHPC, NSDL and RCMC Share Registry Ltd.
 - Tripartite Agreement dated 01.01.2002 between NHPC, CDSL and RCMC Share Registry Ltd.
- An applicant applying for Bonds in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- The applicant seeking allotment of Bonds in the electronic form must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application form under the heading 'Request for Bonds in Electronic Form'.

Bonds allotted to an applicant in the electronic account form will be credited directly to the applicant's respective beneficiary account(s) with the DP.

For subscription in electronic form, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.

- In case of allotment of Bonds in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.

Letter(s) of Allotment / Bond Certificate(s) / Refund Order(s) Issue Letter(s) of Allotment

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) / Depository Participant will be given initial credit within 2 working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

Issue of Bond Certificate(s)

Subject to the completion of all statutory formalities within 3 months from the Deemed Date of Allotment, or such extended period as may be approved by the appropriate authority(ies), the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, 1996,



Security and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL / CDSL / Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

Record Date

For the purpose of corporate actions such as interest payment and redemption, the 'Record Date' for the Bonds shall be fixed not more than 15 calendar days prior to such corporate action (both dates exclusive). Interest and/or principal repayment shall be made to the person whose name appears as sole first in the register of bondholders/ beneficiaries position of the Depositories on record date. In the event of the Company not receiving any notice of transfer at least 15 days before the respective due date of payment of interest and at least 15 days prior to the maturity date, the transferees for the Bonds shall not have any claim against the Company in respect of interest so paid to the registered bondholder.

List of Beneficial Owners /Register of Beneficial Owners

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be. The depositories shall maintain a register and an index of Beneficial Owners in the manner provided in Sections 150, 151 and 152 of the Companies Act, 1956.

Payment of Interest

Interest would be payable annually on anniversary date of the deemed date of allotment every year till the final date of redemption so as to include the previous interest payment date and exclude the current interest payment date. The interest payable to each bondholder shall be paid by way of RTGS/interest warrants bearing the interest payment dates. Such payments shall be made to the Bondholders whose names appear in the Register of Bondholders on the record date and in case of joint holders to the one whose name appears first in the Register of Bondholders. In the event of the Corporation not receiving any notice of transfer on the record date i.e. 15 days before the interest payment date, the transferee(s) for the Bond shall not have any claim against the Corporation in respect of amount so paid to the registered Bondholders. The Company retains the right to revise (pre-pone/ postpone) the above interest payment date(s) at its sole and absolute discretion subject to the compliance of the relevant statutory provisions in this regard..

- The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days except in case of a leap year where the year will comprise of 366 days.

Wherever the signature(s) of such transferor(s) in the intimation sent to the Corporation is/are not in accordance with the specimen signature(s) of such transferor(s) available on the records of the Corporation, all payments on such Bond(s) will be kept at abeyance by the Corporation till such time as the Corporation is satisfied in this regard.



No interest / interest on interest shall accrue on the Bonds after the date of maturity of the respective instruments.

Payment on Redemption

The payment of the redemption amount of the Bonds will be made by the Company to the Registered Bondholders recorded in the books of the Company and in the case of joint holders, to the one whose name appears first in the Register of Bondholders as on the record date. In the event of the Company not receiving any notice of transfer, before the record date, the transferee(s) for the Bond(s) shall not have any claim against the Company in respect to the amount so paid to the Registered Bondholders.

The Bonds held in the Dematerialized Form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Bondholders whose name appears in the Register of Bondholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Bondholders. On such payment being made, the Company will inform NSDL/ CDSL and accordingly the account of the Bondholders with NSDL/ CDSL will be adjusted.

The Company's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption.

On the Company dispatching the amount as specified above in respect of the Bonds, the liability of the Company shall stand extinguished.

Effect of Holidays

Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Date of Allotment, fall on a Sunday or a Public Holiday in Delhi, , payment shall be done on the immediate preceding working day in Delhi with Interest upto the day preceding the actual date of payment.

Tax Deduction at Source

Tax applicable under the Income-Tax Act, 1961, or any other statutory modification or reenactment thereof will be deducted at source. Tax exemption certificate/ document, under section 193/197/197A of the Income Tax Act, 1961, if any must be lodged in duplicate at the office of the Issuer, at least 30 days prior to the interest payment date. In case of tax deducted at source, the Company will issue the TDS certificate to the investors.



Payments at Par

The Company will try, as far as possible, to pay interest and principal on the bonds through ECS/direct credit/ RTGS/NEFT/ instruments payable at par as per applicable norms of the Reserve Bank of India.

Dispatch of Documents

The Cheques/ Demand Drafts/other instruments of payment, as the case may be, shall be dispatched by registered post / courier or by hand delivery to the address of the holder whose name appears first in the Register of Bondholders. This will be at the sole risk of the addressee.

Loss of Interest Warrants

Loss of interest warrants should be intimated to NHPC. The issue of duplicate interest warrants would be governed by such conditions as may be prescribed by NHPC.

Purchase and Sale of Bonds

The Corporation may, at any time and from time to time, purchase Bonds at the price available in the Capital Market in accordance with the applicable laws. Such Bonds may, at the option of the Corporation, be canceled, held or reissued at such a price and on such terms and conditions as the Corporation may deem fit and as permitted by law.

Re-issue of Bonds

Where the Corporation has redeemed any such Bonds, subject to the provisions of Section 121 of the Companies Act and other applicable provisions, the Corporation shall have and shall be deemed always to have had the right to keep such Bonds alive for the purpose of reissue and in exercising such right, the Corporation shall have and shall be deemed always to have had the power to re-issue such Bonds either by re-issuing the same Bonds or by issuing other Bonds in their place.

Transfer of Bonds

All requests for registration of transfer, transmission, etc. along with appropriate documents should be sent to RTA – M/s **RCMC Share Registry Pvt. Ltd., Ground Floor, B-106, Sector-2, Noida-201 301 (UP)** or such other persons at such addresses as may be notified by the Company from time to time.

Mode of Transfer

The Company is a Government Company within the meaning of Section 617 of the Companies Act, 1956. The bonds will be transferable in accordance with the Provisions of the Companies Act, 1956.



Bonds held in Electronic (Dematerialized) form shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depository/ Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof.

Succession

In the event of winding-up/demise of the Bondholder(s), NHPC will recognise the executor or administrator of the concerned Bondholder(s), or the other legal representative as having title to the Bond(s). NHPC shall not be bound to recognise such executor or administrator or other legal representative as having title to the Bond(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a Court in India having jurisdiction in the matter.

NHPC may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration other legal representation, in order to recognise such holder as being entitled to the Bond(s) standing in the name of the concerned Bondholder on production of sufficient documentary proof or indemnity.

However, in case of Acquisition/Take over/Mergers and Amalgamations of the Bondholder company, the changes will be recognized only by NHPC when the entire process of such Acquisition/Take over/Mergers and Amalgamations (not restricted to permission of the concerned court or any other authority as applicable of such Acquisition/Take over/Mergers and Amalgamations) is completed and necessary changes are carried on with the Registrar of the Companies and proof thereof is submitted to the Registrar of Issue.

Security

The NCDs in the nature of bonds shall be secured by first pari-passu charge over the fixed assets of the company both existing and future, with asset coverage not exceeding 1.00 time the issue amount. The company proposes to provide balance available coverage in its existing assets already mortgaged to LIC & Debenture Trustee of P Series Bonds i.e. Parbati-II HE Projects Himachal Pradesh on pari-passu basis.

The Company shall at all times maintain a minimum security cover of 1.00 times of the value of all the outstanding Bonds proposed to be issued.

The said security shall be created in favour of the Debenture Trustee within 3 months from the deemed date of allotment failing which additional interest @ 2% p.a. on the outstanding amount of debentures shall be payable by the company from the date of disbursement till such creation of security to the satisfaction of Debenture Trustee.

Servicing behavior on existing debentures

NHPC confirms that it has been regular in servicing all its past bonds.



Rights of Bondholders

The Bondholders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Bonds shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Corporation. The Bonds shall be subjected to other usual terms and conditions, as per the Memorandum and Articles of Association of the Corporation.

Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a special resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution which modifies or varies the terms and conditions of the Bonds shall be operative against the Corporation, if the same are not accepted by the Corporation.

Future Borrowings

The Corporation shall be entitled from time to time to make further issue of Bonds to the public, members of the Corporation and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets without any further approval from the Bondholders.

Bondholder not a Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to the Equity Shareholders.

Governing Law

The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the jurisdiction of the court of Delhi.

Trustees for the Bondholders

The Company has appointed SBICAP Trustee Company Ltd. to act as Trustees for the Bondholders ("Trustees"). The consent letter of the trustee is enclosed in the **Appendix**, for reference. The Company and the Trustees has entered into a Trustee Agreement.

The Company hereby undertakes that a Trust Deed shall be executed by it in favour of the Trustees within three months of the closure of the Issue. The Trust Deed shall contain such clauses as may be prescribed under section 117 A of the Companies Act, 1956 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. Further the Trust Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Trustees or the



Company in relation to any rights or interests of the holder(s) of the Bonds, (ii) limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and circulars or guidelines issued by SEBI, (iii) indemnifying the Trustees or the Company for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the Bondholder(s). Any payment made by the Company to the Trustees on behalf of the Bondholder(s) shall discharge the Company *pro tanto* to the Bondholder(s).

The Trustees will protect the interest of the Bondholders in the event of default by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.

No Bondholder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so. In the event of Company defaulting in payment of interest on Bonds or redemption thereof, any distribution of dividend by the Company shall require approval of the Trustees.

Force Majeure

The Company reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Company reserves the right to change the Issue Schedule.

Notices

The notices to the Beneficial Owners of Bonds required to be given by the Company shall be deemed to have been given if sent by Registered Post/ Speed Post/ Courier/Ordinary Post to the Registered Beneficial Owner of Bonds and /or if an advertisement is given in a newspaper circulating in the neighborhood of the Registered Office of the Company and/ or if communication in this regard has been effected to the depositories.

All notices to be given by the Beneficial Owners of Bonds shall be sent by Registered Post or by Hand Delivery to the Company or such persons, at such address, as may be notified by the Company from time to time.

Undertaking by the Issuer

The Issuer Company undertakes that:

- the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;



- that all the steps for completion of the necessary formalities for listing and commencement of trading at Stock Exchange where the securities are to be listed shall be taken immediately after finalization of basis of allotment
- Necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- That the company shall disclose the complete name and address of the debenture trustee in the annual report
- That the company shall provide a compliance certificate to the Bond holders (on yearly basis) in respect of compliance with the terms and conditions of issue of Bonds as contained in the document, duly certified by the debenture trustee.
- That the company shall furnish a confirmation certificate to the debenture trustee (on yearly basis) that the security created by the company in favour of the Bond holders is properly maintained and is adequate enough to meet the payment obligations towards the Bond holders in the event of default



B Issue Details

Term sheet for R1 Tranche

Issuer	NHPC LTD
Type of Instrument	Secured Redeemable, Non Convertible, Non Cumulative, Taxable Bonds (R Series) in the nature of Debentures
Nature of Instrument	Secured
Seniority	Senior and Unsubordinated
Mode of Issue	Private Placement through Book building route
Eligible Investors	<ul style="list-style-type: none"> • Companies and Bodies Corporate including Public Sector Undertakings • Scheduled Commercial Banks • Regional Rural Banks • Co operative Banks • Financial Institutions • Insurance Companies • Mutual Funds • Provident, Pension, Superannuation & Gratuity Funds • Port Trusts • Any other investor authorised to invest in these bonds, subject to confirmation from the issuer.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange (NSE) tentatively on 1 st Mar 2013, Friday
Rating of the Instrument	1. IND AAA(exp)" by India Ratings & Research Pvt. Ltd.(A Fitch Group Company) . 2. "(ICRA)AAA" By ICRA
Issue Size	Rs 54.00 Crores
Option to retain oversubscription (Amount)	Rs 36.00 Crores
Objects of the Issue	To meet the debt requirement of ongoing construction projects including recoupment of expenditure already incurred.
Details of the utilization of the Proceeds	<p>Chutak (J&K)</p> <p>Nimoo Bazgo (J&K)</p> <p>Teesta Low Dam III (W.B.)</p> <p>Uri II (J&K)</p> <p>Parbati III (H.P.)</p> <p>Teesta Low Dam IV (W.B.)</p> <p>Parbati II (H.P.)</p> <p>Subansiri Lower (Ar.Pradesh/ Assam)</p> <p>Kishanganga (J&K)</p>
Coupon Rate	8.70% (Fixed through book building procedure)
Step Up / Step Down Coupon Rate	None
Coupon Payment Frequency	Annual
Coupon payment dates	Anniversary date of the date of allotment



Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None
Day Count Basis	Actual/ Actual Interest shall be computed on an “actual/actual basis”. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money	Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer’s Bank Account upto one day prior to the Deemed Date of Allotment
Default Interest Rate	In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the Coupon Rate payable on the Bonds, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid
Tenor	13 years of Face value of Rs 12.00 Lac each (Bonds are redeemable at par in 12 equal annual installments starting at the end of 2nd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 2nd,3rd,4th, 5th, 6th, 7th , 8th , 9th, 10th, 11th, 12th and 13th year respectively.)
Redemption Date	Anniversary date of the date of allotment (Bonds are redeemable at par in 12 equal annual installments starting at the end of 2nd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 2nd,3rd,4th, 5th, 6th, 7th , 8th , 9th, 10th, 11th, 12th and 13th year respectively.)
Redemption Amount	At Par Rs 12.00 Lac each (Bonds are redeemable at par in 12 equal annual installments of Rs 1.00 Lac each starting at the end of 2nd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 2nd,3rd,4th, 5th, 6th, 7th , 8th , 9th, 10th, 11th, 12th and 13th year respectively.)



Redemption Premium / Discount	Nil
Issue Price	At Face value of Rs 12.00 Lac each (Bonds are redeemable at par in 12 equal annual installments starting at the end of 2nd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs)
Discount at which security is issued and the effective yield as a result of such discount.	None
Put Option Date	None
Put Option Price	None
Call Option Date	None
Call Option Price	None
Put Notification Time	None
Call Notification Time	None
Face Value	Rs. 12 lakhs per instrument
Minimum Application and in multiples of ----- Debt Securities thereafter	Rs 12 Lacs and in multiple thereof
Issue Timing	
Issue Opening Date	At 10.00 Hrs on 30th Jan 2013, Wednesday
Issue Closing Date	At 15.00 Hrs on 31st Jan 2013, Thursday
Pay-in Date	5 th Feb 2013, Tuesday
Deemed Date of Allotment	11 th Feb 2013, Monday
Issuance mode of the instrument	Demat
Trading mode of the instrument	Demat
Settlement mode of the instrument	Payment of Interest and repayment of Principal shall be made by way of ECS / Direct Credit / RTGS / NEFT/ Cheque (s) / Warrant (s) / Demand Draft (s).
Depository	National Securities Depository Ltd. (NSDL) & Central Depository Services Ltd. (CDSL)
Business Day Convention	Business Day' shall be a day on which commercial banks are open for business in the city of Delhi. Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Date of Allotment, fall on a Sunday or a Public Holiday in Delhi, payment shall be done on the immediate preceding working day in Delhi with Interest upto the day preceding the actual date of payment.
Record Date	15 days prior to each Coupon Payment Date and redemption date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	The Bonds will be secured by way of first pari-passu charge on the Parbati –II H.E Project in Himachal Pradesh of the Company, i.e., The charge will be created in favour of Debenture Trustee on behalf of the Bondholders in such form and manner in one or more tranches and through one or more security documents as considered appropriate by the Company of value not less than 1.00 times the value of the Bonds outstanding.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:



	<ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust Deed; 4. Rating Agreement with ICRA; 5. Rating Agreement with FITCH; 6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 7. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 8. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 9. Application made to NSE for seeking its in-principle approval for listing of Bonds; 10. Listing Agreement with NSE; 11. Letters appointing Arrangers to the Issue.
<p>Conditions Precedent to Disbursement</p>	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letter(s) from the aforesaid rating agency(ies) not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Letter from NSE conveying its in-principle approval for listing of Bonds.
<p>Conditions Subsequent to Disbursement</p>	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making application to NSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment in terms of sub-section (1) of Section 73 of the Companies Act, 1956(1 of 1956); 3. Execution of Debenture Trust Deed for creation of security within time frame prescribed in the relevant regulations/ act/ rules etc. <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p>



Events of Default	<p>If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an “Event of Default” by the Issuer.</p> <p>Besides, it would also constitute an “Event of Default” by the Issuer, if the Issuer does not perform or does not comply with one or more of its material obligations in relation to the Bonds issued in pursuance of terms and conditions stated in this Disclosure Document, Debenture Trusteeship Agreement and Debenture Trust Deed, which in opinion of the Trustees is incapable of remedy.</p>
Remedies	<p>Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.</p>
Provisions related to Cross Default Clause	N/A
Role and Responsibilities of Debenture Trustee	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, the Trust Deed, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds and Debenture/ Bond Redemption</p>



	<p>Reserve.</p> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder(s) within two working days of their specific request.</p>
<p>Governing Law and Jurisdiction</p>	<p>The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Delhi.</p>
<p>Additional Covenants</p>	<ol style="list-style-type: none"> 1. Security Creation: In the event of delay in execution of Debenture Trust Deed and/or other security document(s), the Issuer shall refund the subscription at the Coupon Rate or shall pay penal interest of 2.00% per annum over the Coupon Rate till such conditions are complied with, at the option of the Bondholder(s). 2. Default in Payment: In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the Coupon Rate payable on the Bonds, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid. 3. Delay in Listing: The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate from the



	<p>expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</p> <p>The interest rates mentioned in above three covenants shall be independent of each other.</p>
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Term sheet for R2 Tranche

Issuer	NHPC LTD
Type of Instrument	Secured Redeemable, Non Convertible, Non Cumulative, Taxable Bonds (R Series) in the nature of Debentures
Nature of Instrument	Secured
Seniority	Senior and Unsubordinated
Mode of Issue	Private Placement through Book building route
Eligible Investors	<ul style="list-style-type: none"> • Companies and Bodies Corporate including Public Sector Undertakings • Scheduled Commercial Banks • Regional Rural Banks • Co operative Banks • Financial Institutions • Insurance Companies • Mutual Funds • Provident, Pension, Superannuation & Gratuity Funds • Port Trusts • Any other investor authorised to invest in these bonds, subject to confirmation from the issuer.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange (NSE) tentatively on 1 st Mar 2013, Friday
Rating of the Instrument	1. "IND AAA(exp)" by India Ratings & Research Pvt. Ltd. (A Fitch Group Company) . 2. "(ICRA)AAA" By ICRA
Issue Size	Rs 300 Crores
Option to retain oversubscription (Amount)	Rs 108 Crores
Objects of the Issue	To meet the debt requirement of ongoing construction projects including recoupment of expenditure already incurred.
Details of the utilization of the Proceeds	<p>Chutak (J&K)</p> <p>Nimoo Bazgo (J&K)</p> <p>Teesta Low Dam III (W.B.)</p> <p>Uri II (J&K)</p> <p>Parbati III (H.P.)</p> <p>Teesta Low Dam IV (W.B.)</p> <p>Parbati II (H.P.)</p> <p>Subansiri Lower (Ar.Pradesh/ Assam)</p>



	Kishanganga (J&K)
Coupon Rate	8.85%(Fixed through book building procedure)
Step Up / Step Down Coupon Rate	None
Coupon Payment Frequency	Annual
Coupon payment dates	Anniversary date of the date of allotment
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money	Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment
Default Interest Rate	In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the Coupon Rate payable on the Bonds, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid
Tenor	14 years of Face value of Rs 12.00 Lac each (Bonds are redeemable at par in 12 equal annual installments starting at the end of 3rd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 3rd,4th, 5th, 6th, 7th , 8th , 9th, 10th, 11th, 12th, 13th and 14th year respectively.)
Redemption Date	Anniversary date of the date of allotment (Bonds are redeemable at par in 12 equal annual installments starting at the end of 3rd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 3rd,4th, 5th, 6th, 7th , 8th , 9th, 10th, 11th, 12th,13th and 14th year respectively.)
Redemption Amount	At Par Rs 12.00 Lac each (Bonds are redeemable at par in 12 equal annual



	installments of Rs 1.00 Lac each starting at the end of 3rd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 3rd,4th, 5th, 6th, 7th , 8th , 9th, 10th, 11th, 12th,13th and 14th year respectively.)
Redemption Premium / Discount	Nil
Issue Price	At Face value of Rs 12.00 Lac each (Bonds are redeemable at par in 12 equal annual installments starting at the end of 3rd year. Each bond will comprise of 12 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs)
Discount at which security is issued and the effective yield as a result of such discount.	None
Put Option Date	None
Put Option Price	None
Call Option Date	None
Call Option Price	None
Put Notification Time	None
Call Notification Time	None
Face Value	Rs. 12 lakhs per instrument
Minimum Application and in multiples of ----- Debt Securities thereafter	Rs 12 Lacs and in multiple thereof
Issue Timing	
Issue Opening Date	At 10.00 Hrs on 30th Jan 2013, Wednesday
Issue Closing Date	At 15.00 Hrs on 31st Jan 2013, Thursday
Pay-in Date	5th Feb 2013, Tuesday
Deemed Date of Allotment	11th Feb 2013, Monday
Issuance mode of the instrument	Demat
Trading mode of the instrument	Demat
Settlement mode of the instrument	Payment of Interest and repayment of Principal shall be made by way of ECS / Direct Credit / RTGS / NEFT/ Cheque (s) / Warrant (s) / Demand Draft (s).
Depository	National Securities Depository Ltd. (NSDL) & Central Depository Services Ltd. (CDSL)
Business Day Convention	Business Day' shall be a day on which commercial banks are open for business in the city of Delhi. Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Date of Allotment, fall on a Sunday or a Public Holiday in Delhi, payment shall be done on the immediate preceding working day in Delhi with Interest upto the day preceding the actual date of payment.
Record Date	15 days prior to each Coupon Payment Date and redemption date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	The Bonds will be secured by way of first pari-passu charge on the Parbati –II H.E Project in Himachal Pradesh of the Company, i.e., The charge will be created in favour of Debenture Trustee on behalf of the Bondholders in such form and manner in one or more tranches and



	through one or more security documents as considered appropriate by the Company of value not less than 1.00 times the value of the Bonds outstanding.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust Deed; 4. Rating Agreement with ICRA; 5. Rating Agreement with FITCH ; 6. Tripartite Agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form; 7. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 8. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 9. Application made to NSE for seeking its in-principle approval for listing of Bonds; 10. Listing Agreement with NSE; 11. Letters appointing Arrangers to the Issue.
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letter(s) from the aforesaid rating agency(ies) not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Letter from NSE conveying its in-principle approval for listing of Bonds.
Conditions Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making application to NSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment in terms of sub-section (1) of Section 73 of the Companies Act, 1956(1 of 1956); 3. Execution of Debenture Trust Deed for



	<p>creation of security within time frame prescribed in the relevant regulations/ act/ rules etc.</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p>
Events of Default	<p>If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an “Event of Default” by the Issuer.</p> <p>Besides, it would also constitute an “Event of Default” by the Issuer, if the Issuer does not perform or does not comply with one or more of its material obligations in relation to the Bonds issued in pursuance of terms and conditions stated in this Disclosure Document, Debenture Trusteeship Agreement and Debenture Trust Deed, which in opinion of the Trustees is incapable of remedy.</p>
Remedies	<p>Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.</p>
Provisions related to Cross Default Clause	N/A
Role and Responsibilities of Debenture Trustee	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, the Trust Deed, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to</p>



	<p>appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds and Debenture/ Bond Redemption Reserve.</p> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder(s) within two working days of their specific request.</p>
Governing Law and Jurisdiction	<p>The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Delhi.</p>
Additional Covenants	<ol style="list-style-type: none"> 1. Security Creation: In the event of delay in execution of Debenture Trust Deed and/or other security document(s), the Issuer shall refund the subscription at the Coupon Rate or shall pay penal interest of 2.00% per annum over the Coupon Rate till such conditions are complied with, at the option of the Bondholder(s). 2. Default in Payment: In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the Coupon Rate payable on the Bonds, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid. 3. Delay in Listing: The Issuer shall complete all the formalities and seek listing



	<p>permission within 20 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</p> <p>The interest rates mentioned in above three covenants shall be independent of each other.</p>
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Term sheet for R3 Tranche

Issuer	NHPC LTD
Type of Instrument	Secured Redeemable, Non Convertible, Non Cumulative, Taxable Bonds (R Series) in the nature of Debentures
Nature of Instrument	Secured
Seniority	Senior and Unsubordinated
Mode of Issue	Private Placement through Book building route
Eligible Investors	<ul style="list-style-type: none"> • Companies and Bodies Corporate including Public Sector Undertakings • Scheduled Commercial Banks • Regional Rural Banks • Co operative Banks • Financial Institutions • Insurance Companies • Mutual Funds • Provident, Pension, Superannuation & Gratuity Funds • Port Trusts • Any other investor authorised to invest in these bonds, subject to confirmation from the issuer.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange (NSE) tentatively on 1st Mar 2013, Friday
Rating of the Instrument	1. IND AAA (exp)" by India Ratings & Research Pvt Ltd. (A Fitch Group Company). 2. "(ICRA)AAA" By ICRA
Issue Size	Rs 646 Crores
Option to retain oversubscription (Amount)	Rs 356 Crores
Objects of the Issue	To meet the debt requirement of ongoing construction projects including recoupment of expenditure already incurred.
Details of the utilization of the Proceeds	Chutak (J&K) Nimoo Bazgo (J&K)



	Teesta Low Dam III (W.B.) Uri II (J&K) Parbati III (H.P.) Teesta Low Dam IV (W.B.) Parbati II (H.P.) Subansiri Lower (Ar.Pradesh/ Assam) Kishanganga (J&K)
Coupon Rate	8.78%(Fixed through book building procedure)
Step Up / Step Down Coupon Rate	None
Coupon Payment Frequency	Annual
Coupon payment dates	Anniversary date of the date of allotment
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None
Day Count Basis	Actual/ Actual Interest shall be computed on an “actual/actual basis”. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money	Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer’s Bank Account upto one day prior to the Deemed Date of Allotment
Default Interest Rate	In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the Coupon Rate payable on the Bonds, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid
Tenor	15 years of Face value of Rs 10.00 Lac each (Bonds are redeemable at par in 10 equal annual installments starting at the end of 6th year. Each bond will comprise of 10 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of end of 6th, 7th , 8th , 9th, 10th, 11th, 12th , 13th , 14th & 15th year respectively.)
Redemption Date	Anniversary date of the date of allotment (Bonds are redeemable at par in 10 equal annual installments starting at the end of 6th year. Each bond will comprise of 10 Detachable, Separately



	Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th & 15th year respectively.)
Redemption Amount	At Par Rs 10.00 Lac each (Bonds are redeemable at par in 10 equal annual installments of Rs 1.00 Lac each starting at the end of 6th year. Each bond will comprise of 10 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th & 15th year respectively.)
Redemption Premium / Discount	Nil
Issue Price	At Face value of Rs 10.00 Lac each (Bonds are redeemable at par in 10 equal annual installments starting at the end of 6th year. Each bond will comprise of 10 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs)
Discount at which security is issued and the effective yield as a result of such discount.	None
Put Option Date	None
Put Option Price	None
Call Option Date	None
Call Option Price	None
Put Notification Time	None
Call Notification Time	None
Face Value	Rs. 10 lakhs per instrument
Minimum Application and in multiples of ----- Debt Securities thereafter	Rs 10 Lacs and in multiple thereof
Issue Timing	
Issue Opening Date	At 10.00 Hrs on 30th Jan 2013, Wednesday
Issue Closing Date	At 15.00 Hrs on 31st Jan 2013, Thursday
Pay-in Date	5th Feb 2013, Tuesday
Deemed Date of Allotment	11th Feb 2013, Monday
Issuance mode of the instrument	Demat
Trading mode of the instrument	Demat
Settlement mode of the instrument	Payment of Interest and repayment of Principal shall be made by way of ECS / Direct Credit / RTGS / NEFT/ Cheque (s) / Warrant (s) / Demand Draft (s).
Depository	National Securities Depository Ltd. (NSDL) & Central Depository Services Ltd. (CDSL)
Business Day Convention	Business Day' shall be a day on which commercial banks are open for business in the city of Delhi. Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Date of Allotment, fall on a Sunday or a Public Holiday in Delhi, payment shall be done on the immediate preceding working day in Delhi with Interest upto the day preceding the actual date of payment.
Record Date	15 days prior to each Coupon Payment Date



	and redemption date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	The Bonds will be secured by way of first pari-passu charge on the Parbati –II H.E Project in Himachal Pradesh of the Company, i.e., The charge will be created in favour of Debenture Trustee on behalf of the Bondholders in such form and manner in one or more tranches and through one or more security documents as considered appropriate by the Company of value not less than 1.00 times the value of the Bonds outstanding.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust Deed; 4. Rating Agreement with ICRA; 5. Rating Agreement with FITCH; 6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 7. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 8. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 9. Application made to NSE for seeking its in-principle approval for listing of Bonds; 10. Listing Agreement with NSE; 11. Letters appointing Arrangers to the Issue.
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letter(s) from the aforesaid rating agency(ies) not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Letter from NSE conveying its in-principle approval for listing of Bonds.
Conditions Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making application to NSE within 15 days



	<p>from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment in terms of sub-section (1) of Section 73 of the Companies Act, 1956(1 of 1956);</p> <p>3. Execution of Debenture Trust Deed for creation of security within time frame prescribed in the relevant regulations/ act/ rules etc.</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p>
Events of Default	<p>If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an “Event of Default” by the Issuer.</p> <p>Besides, it would also constitute an “Event of Default” by the Issuer, if the Issuer does not perform or does not comply with one or more of its material obligations in relation to the Bonds issued in pursuance of terms and conditions stated in this Disclosure Document, Debenture Trusteeship Agreement and Debenture Trust Deed, which in opinion of the Trustees is incapable of remedy.</p>
Remedies	<p>Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.</p>
Provisions related to Cross Default Clause	N/A
Role and Responsibilities of Debenture Trustee	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship</p>



	<p>Agreement, the Trust Deed, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds and Debenture/ Bond Redemption Reserve.</p> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder(s) within two working days of their specific request.</p>
Governing Law and Jurisdiction	<p>The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Delhi.</p>
Additional Covenants	<p>Security Creation: In the event of delay in execution of Debenture Trust Deed and/or other security document(s), the Issuer shall refund the subscription at the Coupon Rate or shall pay penal interest of 2.00% per annum over the Coupon Rate till such conditions are complied with, at the option of the Bondholder(s).</p> <p>Default in Payment: In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the Coupon Rate payable on the Bonds, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount</p>



	<p>becomes due and upto but excluding the date on which such amount is actually paid.</p> <p>Delay in Listing: The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</p> <p>The interest rates mentioned in above three covenants shall be independent of each other.</p>
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Annexure

DRAFT/SAMPLE FORMAT OF LETTER OF COMMITMENT FROM INVESTORS

(To be furnished on Investors/Arrangers letter head)

(Please indicate STD Code, Tel and Fax Nos.)

Date: DD/MM/YYYY

Application Form No.-----

NHPC Limited,
NHPC Office Complex,
Sector-33, Faridabad – 121 003 (Haryana)

Dear Sir (s)

We refer to your Disclosure Document for Private Placement of Secured, non-convertible, noncumulative, redeemable, taxable bonds in the nature of Debentures R Series addressed to us giving details of the proposed placement of Rs. 1000 Crores with Green Shoe Option of upto Rs.500 Crores.

We hereby commit to invest in the aforesaid issue. Our requirement is shown in the following table:

For R1* (Rs 54 Crores with green shoe upto 36 Crores)

A: At Coupon Rate (%) p.a. (payable Annually) (within 8.50%-8.85%)	B: No. of Bonds at "A" or at higher coupon	Total amount at "A" or at a higher coupon (B X ----) (Rs.)
OR		
At Cut-off Rate		

For R2*(Rs 300 Crores with green shoe upto 108 Crores)

A: At Coupon Rate (%) p.a. (payable Annually) (within 8.50%-8.85%)	B: No. of Bonds at "A" or at higher coupon	Total amount at "A" or at a higher coupon (B X ----) (Rs.)
OR		
At Cut-off Rate		

For R3*(Rs 646 Crores with green shoe upto 356 Crores)

A: At Coupon Rate (%) p.a. (payable Annually) (within 8.50%-8.85%)	B: No. of Bonds at "A" or at higher coupon	Total amount at "A" or at a higher coupon (B X ----) (Rs.)
OR		
At Cut-off Rate		

***Note Out of the total commitment amount of the 3 tranches mentioned above the arranger shall ensure a minimum commitment of 9% in R1 tranche rounded off to nearest multiple of Rs 12 Lakh.**



This letter is an irrevocable commitment from us to subscribe to the said number of bonds, subject to your acceptance, unless superseded by a subsequent letter from us, delivered to you before the closure of the book i.e. on (31.01.2013 15.00 Hrs).

Kindly allocate to us the desired number of bonds or any such lesser quantity as may be decided by you. As outlined above in the Disclosure Document for Private Placement, we undertake to send our Application Form along with the remittance through RTGS and other necessary documents on 05-02-2013 (Pay-in Date) or such other date that may be intimated to us in the event of the closure of book prior to/after (Closing Date & Time) in respect of the bonds that may be allocated to us.

Thanking You,

Yours faithfully,

(Name & Designation)

For (Name of Investor)

Authorized Signatory

Tel. No. _____ **FAX No.** _____

PAN _____ **DP Name** _____

DP ID _____ **Client ID** _____ **House/Non-House**



XIX. DECLARATION

It is hereby declared that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 Issued vide CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 Dated October 12, 2012)

The Company also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Company accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Signed pursuant to the authority granted by Board of Directors of the Company at their meeting held on 05.01.2013.

For NHPC Ltd.

-sd-
(Jayant Kumar)
General Manager (Finance)
Place: Faridabad
Date: 01.02.2013